

PEOPLE  
Opera House  
With Book

The Global Newspaper  
Edited and Published  
in Paris  
Printed simultaneously in Paris,  
London, Zurich, Hong Kong,  
Singapore, The Hague, Marseille,  
New York, Rome, Tokyo, Frankfurt.

# Herald

INTERNATIONAL



# Tribune

Published With The New York Times and The Washington Post

No. 33,220

50/89

PARIS, THURSDAY, DECEMBER 14, 1989

ESTABLISHED 1887

## Europeans Laud Baker Vision Of U.S. Role on the Continent

By Joseph Fitchett  
*International Herald Tribune*  
PARIS — The "Baker doctrine" announced in the Berlin speech by James A. Baker 3d, the U.S. secretary of state, won praise in Europe on Wednesday as a unifying alliance blueprint for the coming months and as an astute, flexible formula for maintaining long-term U.S. influence in Europe.  
Most European officials were gratified by what they saw as a more assertive U.S. policy that insisted on the need for any unification of the Germans to proceed slowly and take into account the interests of neighboring countries. By his surprise visit to East Germany, without consulting the West German government, Mr. Baker signaled U.S. intentions to try to improve the credibility of the East German political leadership and to forestall a power vacuum that could trigger a rush to unification, officials said.  
Reflecting national preoccupations, the West German press praised the political acumen of Mr. Baker's thinking but played down his pointed advice to "go slow" on unification — an angle that was highlighted in France.  
For the French press, Mr. Baker's endorsement of a politically and economically strengthened European Community echoed a call by François Mitterrand, the French president, for the EC to step up its own acceleration to prevent West Germany from turning eastward.

British press comment hailed the "Baker doctrine" as a commitment to a continued U.S. military role in Europe, coupled with U.S. determination that the North Atlantic Treaty Organization — and not the EC — would handle Western security interests.  
European commentators noted — and often dismissed as unrealistic — a Bush administration view that any reunited Germany would belong to NATO, perhaps after some modifications of the Western alliance to adapt it to a less threatening Warsaw Pact.  
But most acknowledged the astuteness of Mr. Baker's assertion that NATO, perhaps remodeled, would provide a durable Western security framework capable of accommodating swings in East-West relations by closing ranks to meet renewed threats or developing peace-monitoring capabilities if tensions continue declining.  
This U.S. vision clearly foresees

NATO outlasting the Warsaw Pact as it decomposes, without any need for compensation in the form of a dismantling of Western security arrangements.  
Despite this U.S. stress that the West has emerged as the stable center in a Europe that is changing in the East, Mr. Baker's speech was greeted as "essentially constructive" by an East European official.  
"The Soviet leadership has to be pleased with any Western calls in favor of delaying German unity and preserving the two alliances," the official said.  
A senior West German official said that Mr. Baker's speech, by maintaining the ultimate goal of German unity while subordinating it to considerations of European stability, was "congruent with the West German position" as laid out by Foreign Minister Hans-Dietrich Genscher.  
But Mr. Baker's comments implied a slight rebuke to the West German chancellor, Helmut Kohl, over the Nov. 28 timing of his plan for German unity. The 10-point plan met the ambitions of many conservative West Germans to pursue unity, but also seemed to whet



A Latvian legislator settling in, with both feet, for the debate Wednesday at the Congress in Moscow.

## In Baker Plan: A Time Bomb?

By John M. Goshko  
*Washington Post Service*  
BRUSSELS — By outlining in West Berlin his vision of "a new Europe and a new Atlanticism," the U.S. secretary of state, James A. Baker 3d, has signaled what senior U.S. officials call the "New Testament" of the Bush administration's policy for dealing with the changes caused by Eastern Europe's move away from four decades of communism.  
If the officials are correct, it is a document that governmental leaders across Europe will be thumbing through whenever they have to deal with Washington in the years ahead.  
Mr. Baker's speech to the Berlin Press Club on Tuesday had five essential parts. Three called for us-

ing existing institutions — the 16-nation NATO military alliance, the 12-member European Community and the 35-country Conference on European Security and Cooperation — to find ways of creating increased ties between Europe's formerly antagonistic East and West blocs.  
Baker's New Europe: Excerpts from his Berlin speech. Page 4.  
The other two parts cited the need to make space within this framework for two special situations of particular importance to Europe. One is the unification of Germany in ways that do not cause upheaval or rekindle fears of aggression among its neighbors; the other involves a continuing role for

the United States in Europe as the need for American military engagement decreases.  
On this last point, Mr. Baker's speech contained what could turn out to be a time bomb in terms of future controversy. It dealt only peripherally with Eastern Europe and was concerned instead with relations between the United States and the largely overlapping membership of the North Atlantic Treaty Organization and the EC.  
Mr. Baker reiterated U.S. support for the EC's now extensive economic integration and its further progress toward political unity. He expressed belief that "Americans will profit from access to a single European market, just as Europeans have long profited from

### Kiosk

#### Accord Cited In Czech Talks

PRAGUE (AP) — Opposition leaders agreed with the Communists and other parties Wednesday that a new president would be elected before the end of January by the Czechoslovak parliament, participants said.  
The agreement, ending the last major dispute between the opposition and the Communists, was reached at round-table talks between all sides Wednesday night, they said. They added that there was no specific agreement on who would become president, only that the person chosen would be a Czech, rather than a Slovak, who is not affiliated to any political party. Communist negotiators made no comments as they left the talks.  
Earlier article, Page 3.

### Health/Science



Is your tap water safe to drink? In an expanded health and science section, a doctor answers your questions. Page 10.

### General News

The Bush China initiative gets attention in Beijing. Page 6.

### Business/Finance

Poland said it reached agreement with the IMF on a credit package. Page 13.

The European Parliament wants a say in the EC economic union. Page 15.

### Crossword

Page 10.

### The Dollar

Dow Jones	Close
DM	1.7295
Pound	1.5985
Yen	144.15
FF	5.813

### To Our Readers

Wednesday's editions of the International Herald Tribune did not appear as a result of a labor dispute in the newspaper's Paris production facilities.

## Party Expels Zhivkov and Seeks End to Lead Role

By Clyde Haberman  
*New York Times Service*  
SOFIA — Todor Zhivkov, who had been Eastern Europe's longest-ruling leader until a month ago, was expelled Wednesday from the Bulgarian Communist Party, a humiliation that may increase his risk of facing formal corruption charges.  
Mr. Zhivkov's continued fall from grace came as the party's Central Committee supported a call by its new leader, Petar Mladenov, to relinquish its guaranteed monopoly on political power.

It asked the parliament, which meets on Thursday, to repeal two paragraphs of Article 1 of the constitution, which declares the Communists to be the country's "leading force."  
"Our glorious party does not need that article any more," Mr. Mladenov told thousands of loyalists summoned to an outdoor rally Wednesday night in central Sofia to support the latest changes and to declare that communism was not finished in Bulgaria.  
From now on, he said, the party must make its way not through

constitutional fiat but rather by proving itself against a competitive opposition in free elections.  
Apart from proposing the constitutional change, the Central Committee ended a highly self-critical three-day meeting by recommending parliamentary elections next spring, discussing in general terms ways to revive a failing economy and outlining possible changes in "all basic areas of social life."  
Much of the debate seemed intended to keep Communist leaders from falling too far behind the strong popular demands for rapid

democratic change that have risen dramatically since the Politburo coup that toppled Mr. Zhivkov.  
But as much as charting the future, the party seems intent on punishing Mr. Zhivkov for just about every sin that has brought Bulgaria to Mr. Mladenov's words this week to "a near-heart attack condition."  
Mr. Zhivkov's expulsion from the party was the result of "gross violations of laws and gross mistakes in politics that brought the country to a serious crisis," said Andrei Lukinov, a Politburo member who heads a party investigation

into the Zhivkov family's finances and reported penchant for lavish spending.  
Mr. Lukinov, in effect the No. 2 party figure now after Mr. Mladenov, made his remarks at a news conference that he held with another Politburo member, Alexander Lilov.  
The mere scheduling of such a gathering, where they answered questions from Bulgarian and foreign reporters, was itself a remarkable event in a country where, Mr. Lilov acknowledged, fear had been rampant.

## Buoyant Deutsche Mark Expected to Steady in Short Term

By Richard E. Smith  
*International Herald Tribune*  
FRANKFURT — The Deutsche mark, buoyed by a solid West German economy and the possibility of new opportunities for West Germany in Eastern Europe, remained the market's favorite currency Wednesday, but anticipation of a short-term correction was beginning to crop up.  
"The Deutsche mark has gone too far too fast," said Paul Cherkow, chief international economist of Dresdner Bank in London.

"This has become exaggerated, and we are likely to see a correction in the next few days," said Richard Passow, currency trader at Bank für Gemeinwirtschaft in Frankfurt.  
The dollar, which fell as low as 1.6980 DM in Asian trading, made a partial recovery. It closed in New York at 1.7295 DM, down from 1.7327 DM on Tuesday. The dollar closed up against the yen, ending at 144.15 yen, compared with 143.955.

Market attention, however, was focused on the mark. The dollar swung in a band of nearly 2.5 pfennig in U.S. trading, bringing it to as high as 1.7410 DM in the afternoon. The gyrations were exacerbated by the thin nature of the market.  
The mark closed at 83.35 yen on the cross rates, compared with 83.08 yen. The Deutsche mark's uptrend was a chief factor spurring the central banks of Switzerland and Belgium to raise certain interest rates and several other banks, including the Bank of England and the Bank of France, to intervene in the markets to support their currencies.  
The Bank of England intervened in early

trading in London, buying the pound against marks for the first time in many months. The pound rose above 2.78 DM soon after in London, but fell back to close at 2.7728.  
In New York, it ended at about 2.7646 DM, down from 2.7873, and at \$1.5985, down from \$1.6087.  
The Swiss National Bank said it would begin setting its daily flexible Lombard rate at 2 percentage points rather than 1 point above average call money rates. The

See MARK, Page 12

## U.K. Firm on Plan To Eject Vietnamese

By Steven Prokesch  
*New York Times Service*  
LONDON — A senior British government official said Wednesday that there would probably be no more deportations of Vietnamese refugees from Hong Kong before the start of the new year.  
But the official emphasized that the government was not changing its plans, despite international criticism of the involuntary repatriation of 51 Vietnamese from the British colony on Tuesday. The 51 were the first to be forced to return to Vietnam.  
"It will continue," the official said of the program. "My guess is we will be into the new year before they start again."  
A Foreign Office spokesman, asked when the next involuntary deportations might occur, said: "We have no dates. There are no immediate plans for further ones."  
There will be two more flights from Hong Kong of people who have volunteered to return to Vietnam before the end of the year, a government official added. As many as 120 returning Vietnamese will be on each flight, he said, with the first leaving Dec. 21 and the second probably after Christmas.

According to British officials, 630 volunteers have returned to Vietnam within the past year. That low rate is the reason for the forced repatriations, they said.  
British leaders said Tuesday that they must press ahead with the involuntary repatriation program to deter those contemplating flight from Vietnam. Many think of Hong Kong as a stepping-stone to a better life in the West. The busy season for emigration typically begins in about two months.  
There are about 57,000 Vietnamese in Hong Kong camps.  
The British government has said that about 4,000 of those have been determined, through a screening and appeals process, to be fleeing poor economic conditions. They will be returned to Vietnam.  
But ultimately, as many as 40,000 people fleeing persecution are expected to be deported as economic migrants.  
■ Imminent Deportation  
A senior British government official in Hong Kong said Wednesday that the colony planned to deport a



A CHEER FROM CHINA — A Santa Claus in Beijing for a promotion saluting Wednesday as he marches along with Chinese troops past the portrait of Mao Zedong in Tiananmen Square.

## Moscow Unveils Plan to Shift Its Resources Consumer Sector to Receive A Major Injection of Funds

By Michael Dobbs  
*Washington Post Service*  
MOSCOW — Prime Minister Nikolai I. Ryzhkov announced Wednesday that the Kremlin would carry out a major shift in economic resources toward the consumer sector in an attempt to stem rising discontent of Soviet citizens over long lines and widespread shortages.  
Addressing the Congress of People's Deputies, the enlarged Soviet legislature, Mr. Ryzhkov also called for the Soviet-led trade organization, Comecon, to adopt world prices by the beginning of 1991.  
The Communist countries of Eastern Europe have previously relied on a complicated barter system for intrabloc trade, and this has slowed their economic integration.  
Mr. Ryzhkov said that the government had considered three variants for increasing spending on the consumer sector over the next five years and had decided to adopt the most radical.  
The plan envisages an annual increase in the production of goods and services by 12 to 18 percent at a time when the rest of the economy is virtually stagnant.

mand" system of economic management for the next few years to prevent the complete disintegration of the economy.  
"The administrative anesthesia will probably be drawn out for years and years, constantly postponing the introduction of a real market," said Gavril K. Popov, a spokesman for progressive deputies who have formed a small opposition group. "The chronic cycle of promises and nonfulfillment of promises will be repeated in the future."  
The government decision to invest heavily in the consumer sector comes at a time when President Mikhail S. Gorbachev is under political pressure from Communist Party hard-liners. At recent meetings and rallies, the conservatives have linked the economic hardships faced by Soviet workers to the abandonment of socialist principles and the encouragement of private enterprise.

The liberal weekly Moscow News confirmed Wednesday that Mr. Gorbachev was so angered by charges that he was leading the country down the wrong path that he offered to resign at an emotional plenum of the Communist Party Central Committee last weekend.  
It quoted a Central Committee member as saying that "if the capitalists and the Pope are praising us, then we are taking the wrong road."  
Commenting on this in Moscow News, Danil Granin, a legislator and writer who attended the plenum as a guest, said: "It was not surprising that these speeches deeply wounded Gorbachev. So much so that he declared that if the work done over these past years is assessed in that way, then he was ready to lay down his powers."  
While Mr. Gorbachev is aware of the need to move over to a market economy, he is also painfully conscious of the political dangers of phasing out subsidized prices and

See SOVIET, Page 5

## Bush's Military Budget Puts Congress in Mood to Attack

By Patrick E. Tyler  
*Washington Post Service*  
WASHINGTON — Congressional leaders say that two hearings this week have set the tone for what will be a full-scale review of U.S. military policy and a likely assault on President George Bush's military budget when Congress returns in January.  
In one of the hearings, Sam Nunn, chairman of the Senate Armed Services Committee, accused the Bush administration of failing to take into account the diminishing Soviet military threat in Europe in preparing military budgets for this year and the 1991 fiscal year that begins Oct. 1.  
Mr. Nunn criticized Defense Secretary Dick Cheney for what he said was Mr. Cheney's refusal to formally accept an intelligence-community finding that the Soviet Army was now far less threatening than in the years preceding the rise of President Mikhail S. Gorbachev.  
In the other hearing, before the Senate Budget Committee, former top Pentagon officials said that a reduced threat from the Soviet

Union and Eastern Europe could allow the Defense Department to cut worldwide military forces dramatically in the next several years and warned the Bush administration to begin planning for an orderly military drawdown.  
The sessions Tuesday were the first of many congressional hearings over the next year on how to reduce the military budget and how to spend the money that is saved.  
In the Budget Committee hearing, a former military official, Lawrence J. Korb, said that the Pentagon had "just completed a wartime modernization of the military without a war" and, therefore, could cut its budget in half to \$150 billion by the turn of the century and still maintain a ready force.  
Robert S. McNamara, defense secretary in the Kennedy and Johnson administrations, said that although the Cold War was not over, See SPEND, Page 5

## Comaneci's New Twist Defector Tries to Repair Her Image

By Jeffrey Schmalz  
*New York Times Service*  
POMPANO BEACH, Florida — Nadia Comaneci sat in a dimly lit hotel bar, sipping strawberry daiquiris and watching a "Batman" rerun on television. She perked up when her image flashed on the evening news, but she only heard more of what she had been hearing for a week: Nadia the home-wrecker, Nadia the spoiled princess.  
"No, this is not what I expected," she said of her reception in the United States since her defection from Romania two weeks ago. "I am disappointed, very disappointed."  
Thirteen years ago, Miss Comaneci won America's heart when, at 14, she captured three gold medals and earned the first 10 — a perfect score — in Olympic gymnastic competition.  
She said she had expected that affection to be waiting for her when she arrived in the United States. Instead, after an initial outpouring of support, she has been scorned, mainly because of her own remarks, learning along the way a hard lesson about image-making in the United States.  
In conversations Monday night and Tuesday, Miss Comaneci and her companion, Constantin Panait, a 36-year-old roofer who helped her defect, retracted many of their comments of the last week in what they said was an effort to restore Miss Comaneci's good name and her marketability as a spokeswoman for U.S. products. She has been widely criticized for her relationship with Mr. Panait, the married father of four young children.  
Last week, both had hinted at a romantic liaison, but on Tuesday Miss Comaneci said that although they were sharing a \$125-a-day

See DEFECT, Page 2



## Polls Show Brazilian Leftist Closing Gap

By James Brooke  
New York Times Service  
RIO DE JANEIRO — Just a few days before Brazilians vote for president, new polls indicate that the leftist candidate has suddenly risen within striking range of victory.

The winner of the second round of the voting Sunday will be the first popularly elected Brazilian president in 29 years.

The leftist, Luis Inácio da Silva, is a former factory worker whose Workers' Party is a coalition of unionists and Marxists. In the first round of the voting last month, Mr. da Silva, known by the nickname "Lula," was the furthest left of the top six contestants.

His opponent in the two-man runoff Sunday is Fernando Collor de Mello, a former state governor who advocates a free-market path for Brazil's economy.

"Anyone can win at this point," Amnury de Souza, a political scientist, said Tuesday. But others see a gathering swell that will carry Mr. da Silva to victory.

"The politicians think Lula's absolutely got it," Alfred Stepan, author of several books on Brazil-

ian politics, said from Brasília. Mr. Stepan is dean of the School of International and Political Affairs at Columbia University in New York.

Mr. da Silva's electoral coalition, the Popular Brazil Front, calls for suspending payment on Brazil's \$110 billion foreign debt, "breaking" with the International Monetary Fund, distributing unused farmland to landless peasants, doubling the minimum wage, freezing prices and unifying the six military ministries into a single Defense Ministry headed by a civilian.

Brazil's business, military and media establishments have closed ranks behind Mr. Collor, who comes from a family long established in Brazilian politics.

In the first polls after the November runoff, Mr. Collor, 40, led by as many as 14 percentage points. But beginning last week, his lead has narrowed steadily in the polls, which have a margin of sampling error of 2 percentage points.

On Tuesday night, the Ibope polling organization reported Mr. Collor leading by 47 percent to 43 percent. Last week, Ibope gave Mr. Collor a 49-40 edge.

Two other polls released since Sunday, Gallup and DataFolha, showed a similar tightening of the race. By law, campaigning ends on Thursday, when the two candidates are to meet in a televised debate.

Apparently reacting to the polls, Brazil's currency, the cruzado, has lost 25 percent of its street value against the dollar in the last week.

Analysts say Mr. Collor's candidacy has been battered by Mr. da Silva's effective performance in an initial television debate, by his success in winning key political endorsements and by his daily television commercials, which include musical endorsements from Brazil's top singers, musicians and soap-opera stars.

"I am convinced that the candidacy of my adversary has started to crumble," said Mr. da Silva, 44.

Mr. Collor has waged a largely negative campaign, seeking to portray his adversary as a radical who favors "class struggle" and "armed violence." His television advertising has dwelled on violence reportedly provoked by leftists at Collor campaign rallies.

"Lula is opposed to free enterprise, to modernity, to freedom,

and is anti-democratic, radical and retrograde," said Cesar Roberto Valente, president of the Confederation of Trade Associations, which represents about 1.3 million small businesses.

But in the race, the power of business is diluted by a law limiting campaign advertising on the national networks to two free 10-minute segments each day for each candidate. Newspaper advertising is not allowed.

### TV Ad Is Criticized

The Brazilian press on Wednesday strongly criticized a television spot for the Collor campaign in which Mr. da Silva's former companion says that Mr. da Silva offered her money to seek an abortion when she was pregnant with their daughter. The Associated Press reported from Brasília.

In addition to talking about their relationship and the couple's 15-year-old daughter, born out of wedlock, Miriam Cordeiro also said Mr. da Silva was a racist and "couldn't stand blacks." A majority of Brazil's 150 million people are black or of mixed race.



BOLIVIAN IS DENIED U.S. BOND — Luis Arce Gómez, Bolivia's interior minister from July 1980 to March 1981, leaving federal court in Miami after being denied bond on cocaine trafficking charges. Indicted in 1983, he was arrested at his ranch Sunday and extradited by Bolivia on Monday.

## Central America Pact Bolsters Cristiani

By William Branigin  
Washington Post Service

SAN JOSE, Costa Rica — The latest accord in Central America's two-year-old peace process has bolstered the embattled Salvadoran president, Alfredo Cristiani, but appears unlikely to bring much relief soon to a population beleaguered by a decade of civil war, according to analysts here.

The broad peace accord signed Tuesday by the five Central American presidents called for international control of all aid to the U.S.-backed rebels fighting the Nicaraguan government and immediate steps toward the demobilization of leftist guerrilla forces in El Salvador.

The agreement by the presidents of Costa Rica, Honduras, Guatemala, Nicaragua and El Salvador strongly supported Mr. Cristiani's position, while broadly condemning armed rebellion and "terrorism" for political ends.

The accord evidently stunned El Salvador's Marxist-led guerrillas, who are said to view the concurrence in it by President Daniel Ortez Saavedra of Nicaragua as a sellout by their longtime ally.

The accord calls on the Farabundo Martí National Liberation Front to cease hostilities, "publicly renounce all types of violent action" and enter negotiations for their eventual "demobilization."

But it is unknown whether Nicaragua's Sandinista government will follow through by dismantling the Salvadoran rebels' installations on its territory and stopping all military deliveries to the rebels inside El Salvador.

Sandinista spokesmen suggest

that they will take no such action until the Nicaraguan rebels are disbanded and leave their camps in neighboring Honduras.

But the accord serves notice that the Salvadoran left's armed struggle is increasingly viewed in Latin America and elsewhere as an anachronism.

While resistance to rightist repression still finds considerable support, the type of society for which the front's radical Marxist founders originally began their "people's war" is now being repudiated worldwide.

The presidents' declaration suggests that the Sandinistas may now find that way, too.

According to Soviet sources based in Managua, Moscow was furious when the Sandinistas were caught supplying Eastern European anti-aircraft missiles and other weapons to the Salvadoran guerrillas a week before the American and Soviet presidents met in Malta this month.

The agreement Tuesday "sends the message that the time for armed struggle is past," said William Goodfellow, the director of the Washington-based Center for International Policy.

The Salvadoran rebels "can choose to ignore it," he said, "but it puts more pressure on them and further delegitimizes them."

He noted that, as in the case of the Nicaraguan rebels, the accord contains no mechanism to force the Salvadoran rebels to comply with the call for demobilization.

While the outcome in El Salvador depends greatly on "forces beyond the five presidents' control," Mr. Goodfellow said, the Farabundo Martí National Liberation

Front "is much more independent and in control of its own fate than the contras."

By avoiding the derailment of the peace process when they met Sunday through Tuesday, the five Central American leaders performed a major accomplishment, analysts said, particularly since El Salvador had just broken relations with Nicaragua over Sandinista arms supplies.

Less than two weeks ago, Mr. Cristiani refused to attend the meeting if it were held in Managua as planned. Mr. Ortega countered by calling El Salvador a "murder-

ous country" run by "criminals and international delinquents."

According to a Costa Rican official, President Oscar Arias Sánchez promoted the accord's language supporting Mr. Cristiani by name because he feared that the Salvadoran president's room for maneuver was shrinking dangerously amid the country's increasing polarization between left and right.

U.S. congressional staff members observing the conference said the joint communiqué was likely to have the added effect of making it more difficult to cut off U.S. aid to El Salvador.

## 11th-Hour Laws Anger Pinochet's Foes

Reuters

SANTIAGO — A last-minute attempt by Chile's military to prevent a future congress from investigating government affairs during the armed forces' 16-year rule has injected a new dispute into the election Thursday to choose a civilian successor to President Augusto Pinochet.

"This is very grave," said Andres Zaldivar, first vice president of the opposition Christian Democratic Party. "It gives impunity to those who have been in government, and that is unacceptable."

The party's candidate, Patricio Aylwin, seems headed for a comfortable victory in the first presidential and congressional elections since General Pinochet took power in the 1973 coup that toppled Salvador Allende, a Marxist.

Foils give Mr. Aylwin, 71, a commanding lead over his opponents, both conservatives, Hernán Buchi, a former finance minister, and Francisco Javier Errázuriz, a businessman.

The only doubt appears to be whether Mr. Aylwin will get the 51 percent needed for outright victory or will be forced into a runoff, in January.

The opposition has accused the military of seeking to impose a series of last-minute laws

that will limit the powers of a civilian government.

The four-man military junta that has acted as the country's legislature since 1973 passed a law Tuesday night barring congress from investigating possible administrative irregularities committed before the change of administrations next March.

The measure does not refer to allegations of human-rights abuses, which are already covered by a 1978 law protecting members of the security forces from trial for abuses in the early Pinochet years, when hundreds of liberals died and are presumed to have been killed.

The new law was contained in a congressional act saying that General Pinochet will hand over the presidency on March 11.

Mr. Aylwin's center-left coalition will need a sizeable majority from Chile's 7.6 million voters if it is to change the laws in the Congress, which has not convened since the coup. The coalition's task is complicated by a constitutional provision allowing the military to effectively appoint one-fifth of the Senate before leaving power.

The opposition is committed to changing a recent law that gives wide powers to the central

bank, which it says could hamper administration of the economy.

General Pinochet was forced to call elections after an October 1988 plebiscite denied him eight more years in power. But he will be allowed to retain his army command for eight years.

A bar on the future president from removing military commanders is one of the elements of the constitution that the opposition has vowed to change if it takes power.

The near-certainty of the outcome and the moderation of the rival programs combined to drain tension from the elections in a country once well known for political conflict.

Opposition surveys predict that Mr. Aylwin will repeat the dissidents' victory in the plebiscite, when General Pinochet was defeated by 54.7 percent to 43 percent, with the general's support being divided between Mr. Buchi and Mr. Errázuriz.

Foreign and local businessmen agree that an opposition victory will not lead to major changes in the military's free-market policies, which have turned Chile into an oasis of economic order amid the fiscal chaos of many Latin American countries.

## WORLD BRIEFS

### Bush to Attend Summit in Colombia

WASHINGTON (AP) — Despite concerns about security, President George Bush will go to Colombia on Feb. 15 for a meeting on illegal drugs with three South American presidents, the White House said Wednesday. The meeting, expected to last one day, will be in Cartagena, on the country's north coast. The region is a haven for cocaine traffickers who are waging a campaign of violence in retaliation for President Vargas Barco Vargas's crackdown on them. In addition to Mr. Bush and Mr. Barco, Presidents Alan García Pérez of Peru and Jaime Paz Zamora of Bolivia will take part.

The announcement Wednesday came after Mr. Bush signed legislation authorizing \$240 million in anti-drug aid for Colombia, Bolivia and Peru. The three nations are the source of most of the world's cocaine. Legislation authorizes \$115 million for narcotics control assistance, \$125 million for military and law-enforcement aid.

### Cambodia Guerrillas Take Hard Line

BANGKOK (Reuters) — Cambodian guerrillas, reverting to their line stand they dropped two years ago, said Wednesday that they will not negotiate with the Phnom Penh government.

A statement issued in the name of Prince Norodom Sihanouk said the tripartite guerrilla alliance "absolutely refuses and will refuse to negotiate with the regime which serves foreign aggressors against its own nation." The statement, broadcast by Khmer Rouge radio and monitored here, said that if peace talks were resumed, the resistance would negotiate with Vietnam.

The Khmer Rouge-dominated resistance also rejected a government call for the United Nations to take a neutral stand in the conflict and set up a UN force to police the country until elections could be held.

### El Salvador Releases U.S. Woman

SAN SALVADOR (AP) — Jennifer Jean Casolo, 28, of Thomaston, Connecticut, was released after two and a half weeks because of insufficient evidence, and that she would be deported.

Mr. Cristiani said he thought Ms. Casolo probably had cooperated with rebels of the Farabundo Martí National Liberation Front, who began an offensive in San Salvador last month. "If the evidence against her becomes sufficient," he said, "she will be summoned to return for trial." He acknowledged, however, that little could be done to force her to return.

### Mexican Drug Traffickers Convicted

MEXICO CITY (NYT) — Two of Mexico's most powerful drug traffickers have been found guilty of the 1985 murder of a U.S. drug agent and sentenced to prison terms of more than 10 years.

After more than four years of often tangled legal proceedings, Rafael Caro Quintana and Enrique Fonseca Carrillo were convicted Tuesday along with 23 others said to be members of their cocaine-smuggling operations, of killing Enrique Camarena Salazar, a Drug Enforcement Administration agent, and the Mexican pilot who worked for him.

The sentence was handed down in Guadalajara, the drug trafficking center where the two men disappeared in February 1985. In the course of the investigation, 12 police officers and former police agents in the state of Jalisco, whose capital is Guadalajara, were arrested and charged with involvement in the murder and kidnapping.

### U.S. Judge Calls for Legalizing Drugs

NEW YORK (NYT) — In a rare statement from a member of the judiciary, Robert W. Sweet of the U.S. District Court in New York has called for the legalization of all drugs, including heroin and crack cocaine. He became the first federal judge to make such a proposal publicly, according to the Drug Policy Foundation, a research organization. In a speech at the Cosmopolitan Club in New York, Judge Sweet, 52, called the war on illicit drugs "bankrupt." He said that more than 11 years on the bench had convinced him of the futility of sentencing drug law violators and the frustration of "seeing our justice system overwhelmed by a social phenomenon."

The judge joined the ranks of a growing number of former and present officials, commentators and academics who have argued that the policy of aggressively prosecuting drug sellers and users be reconsidered. Supporters of this view include former Secretary of State George P. Shultz, the economist Milton Friedman, and William F. Buckley, the conservative columnist.

### IRA Attack Kills 2 British Soldiers

BELFAST (Reuters) — Two British soldiers were killed and two wounded Wednesday in an Irish Republican Army bomb and gun attack on a military border post in Northern Ireland.

A police spokesman said an IRA bomb planted in a van exploded at a checkpoint in County Fermanagh near the border with Ireland. Immediately after the explosion, two IRA gunmen hidden in a hijacked truck sprayed the border post with automatic fire and threw at least two grenades before fleeing across the border into Ireland.

### French to Charge Le Pen for a Slur

PARIS (UPI) — Jean-Marie Le Pen, the rightist French politician who was stripped of his European Parliament immunity Monday, will be charged for a anti-Semitic remark he made against a government minister last year, the government said Tuesday.

The prime minister's office and Justice Ministry sources said the government would pursue the charges following a vote Monday by the Parliament in Strasbourg to lift Mr. Le Pen's right as a deputy to immunity from prosecution.

The parliamentary vote came on a request filed by France a year ago after Mr. Le Pen, leader of the extreme right National Front, referred to Public Works Minister Michel Durafour as "Durafour-crematorium," a reference to the ovens used to cremate Jews at Nazi death camps.

## TRAVEL UPDATE

### Strike Disrupts Air Traffic in Italy

ROME (Reuters) — More than 25 flights were canceled Wednesday, and planes arriving at Rome were up to four hours behind schedule because of a strike by hundreds of Italian air traffic controllers.

Eight international flights at Fiumicino airport in Rome were among those canceled during the protest, and three-quarters of national and international flight arrivals were running 40 minutes to four hours late, officials said. The controllers, who defied a ministerial order to report to work, are planning two more six-hour strikes on Friday and Saturday.

## WEATHER

EUROPE				ASIA			
	HIGH	LOW	WIND		HIGH	LOW	WIND
Amsterdam	11	5	W	Bangkok	32	24	SE
Athens	11	5	W	Beijing	12	0	N
Berlin	11	5	W	Hong Kong	28	20	SE
Bombay	32	24	SE	Kobe	12	0	N
Buenos Aires	11	5	W	Manila	32	24	SE
Calcutta	32	24	SE	New Delhi	28	20	SE
Cardiff	11	5	W	Shanghai	12	0	N
Cairo	32	24	SE	Singapore	32	24	SE
Canton	32	24	SE	Taipei	32	24	SE
Chengdu	12	0	N	Tokyo	12	0	N
Colon	32	24	SE				
Copenhagen	11	5	W	AFRICA			
Dakar	32	24	SE	Algiers	28	20	SE
Dallas	11	5	W	Cairo	32	24	SE
Dublin	11	5	W	Conakry	28	20	SE
Geneva	11	5	W	Havana	28	20	SE
Helsinki	11	5	W	Johannesburg	28	20	SE
London	11	5	W	Lima	28	20	SE
Los Angeles	11	5	W	Managua	28	20	SE
Madrid	11	5	W	Medan	32	24	SE
Moscow	11	5	W	Montevideo	28	20	SE
Munich	11	5	W	Nairobi	28	20	SE
Nairobi	28	20	SE	Rangoon	32	24	SE
Paris	11	5	W	Sao Paulo	28	20	SE
Perth	11	5	W	Santiago	28	20	SE
Rangoon	32	24	SE	Sao Paulo	28	20	SE
Rio de Janeiro	28	20	SE	Singapore	32	24	SE
Rome	11	5	W	Taipei	32	24	SE
Seoul	11	5	W	Tokyo	12	0	N
Shanghai	12	0	N				
Singapore	32	24	SE	LATIN AMERICA			
Sri Lanka	32	24	SE	Buenos Aires	28	20	SE
Taipei	32	24	SE	Caracas	28	20	SE
Tokyo	12	0	N	La Paz	28	20	SE
				Lima	28	20	SE
MIDDLE EAST				Mexico City	28	20	SE
Akaba	32	24	SE	Rio de Janeiro	28	20	SE
Amman	32	24	SE	Sao Paulo	28	20	SE
Bahia	32	24	SE	Santiago	28	20	SE
Bombay	32	24	SE	Sao Paulo	28	20	SE
Buenos Aires	28	20	SE	Singapore	32	24	SE
Calcutta	32	24	SE	Taipei	32	24	SE
Canton	32	24	SE	Tokyo	12	0	N
Cardiff	11	5	W				
Cairo	32	24	SE	OCEANIA			
Canton	32	24	SE	Auckland	12	0	N
Chengdu	12	0	N	Christchurch	12	0	N
Colon	32	24	SE	Dunedin	12	0	N
Copenhagen	11	5	W	Hamilton	12	0	N
Dakar	32	24	SE	Manila	32	24	SE
Dallas	11	5	W	Medan	32	24	SE
Dublin	11	5	W	Montevideo	28	20	SE
Geneva	11	5	W	Nairobi	28	20	SE
Helsinki	11	5	W	Rangoon	32	24	SE
London	11	5	W	Sao Paulo	28	20	SE
Los Angeles	11	5	W	Santiago	28	20	SE
Madrid	11	5	W	Sao Paulo	28	20	SE
Moscow	11	5	W	Singapore	32	24	SE
Munich	11	5	W	Taipei	32	24	SE
Nairobi	28	20	SE	Tokyo	12	0	N
Paris	11	5	W				
Perth	11	5	W	THURSDAY'S FORECAST — CHAMBERLAIN			
Rangoon	32	24	SE	Amsterdam	12	0	N
Rio de Janeiro	28	20	SE	Bangkok	32	24	SE
Rome	11	5	W	Beijing	12	0	N
Sao Paulo	28	20	SE	Hong Kong	28	20	SE
Singapore	32	24	SE	Kobe	12	0	N
Taipei	32	24	SE	Manila	32	24	SE
Tokyo	12	0	N	New Delhi	28	20	SE
				Shanghai	12	0	N
				Singapore	32	24	SE
				Taipei	32	24	SE
				Tokyo	12	0	N

**THE MARK**

**EXECUTIVE EDUCATION**

**Conviction, talent, know-how.**

**That's why our graduates are in such great demand.**

ISA's 16 month intensive MBA program provides the breeding ground for you to develop your talents, to fine-tune your career plans and to widen your perspectives. To assist you - over 100 professors from the full-time faculty of HEC-ISA as well as experienced professionals on the cutting edge of industry and business. It's no surprise that 1 300 high-level positions are offered each year to our 100 graduates.

Admissions procedure: application form, management aptitude and language tests, interview.

For more information, contact the admissions office at: (33-1) 39 56 73 82 or 39 56 73 79.

**isa**

INSTITUT SUPERIEUR DES AFFAIRES

CENTRE HEC-ISA - 78350 JOUY-EN-JOSAS - FRANCE

CHAMBRE DE COMMERCE ET D'INDUSTRIE DE PARIS

INSTITUT SUPERIEUR DES AFFAIRES, UN MBA EUROPEEN.

## Tax Appeal to Be Eased DEFECT: Repairing an Image

By Robert C. Siner  
International Herald Tribune

WASHINGTON — Americans abroad will be able to appeal tax rulings of the Internal Revenue Service in personal conferences at four U.S. embassies in Europe, the agency said Wednesday.



## Army Studies a Shift to Rapid Reaction

By Michael R. Gordon  
and Bernard E. Trainor

New York Times Service

WASHINGTON — The U.S. Army, facing major cuts in American forces stationed in Europe and a declining budget, has proposed reshaping itself largely into a fast-reaction force based primarily in the continental United States, according to senior army officials.

The officials say the proposed changes would transform the army from a service with its primary focus on defending Western Europe with tanks and other heavy equipment into a lighter, more flexible force that could be rapidly deployed to trouble spots around the world.

The army's plan offers the first glimpse of the kind of major adjustments the military services are likely to face as the Defense Department enters an era of falling budgets and a diminished threat from the Soviet Union.

The plan is subject to approval by Defense Secretary Dick Cheney. The revised role the army envisions has drawn criticism from Marine Corps officials, who contend that the army plans overlap with functions already performed by the Marines.

Facing a reduced budget, the army has drawn up plans for cutting its active force by 1995 to 630,000 soldiers from today's level of 764,000.

Such cuts would involve the withdrawal of one of the two army corps stationed in West Germany, a reduction of about 70,000 army troops in Europe.

This would leave the army with about 150,000 troops in Europe. The army says troop cuts in Europe will be made in the context of arms-control understandings reached with the Soviet Union.

Plans developed by General Carl E. Vuono, the army chief of staff, would change the army primarily into a worldwide contingency force, with more emphasis on airborne, air assault and light infantry divisions.

An army policy paper, "A Strategic Force for the 1990s and Beyond," recently prepared by General Vuono, says such a change is required because regional instability, terrorism and drug trafficking present new challenges to the army.

Army officials say Mr. Cheney is receptive to their service's basic plan. A spokesman for Mr. Cheney said the secretary had not made any final decisions about the future structure of the U.S. military.

As the army looks to the future, it has based its claim to be the primary U.S. military force on the speed with which its troops can respond to a crisis and its array of combat forces that could be sent by planes or ships.

Army officials say paratroopers could parachute in to fight in re-

mote areas of the world. They also say that light infantry divisions of about 11,000 troops could be transported by plane to airfields captured by army Rangers, and that armored forces could be sent by fast ships.

The Marines, for their part, are updating the maritime strategy of the former secretary of the navy, John F. Lehman Jr., to show that aircraft carrier battle groups and amphibious ships carrying marines deployed at sea are in the best position to be used in trouble spots.

The Marine Corps asserts that it has both the firepower and the ability to sustain a battle, and that the army does not.

Work on reshaping the army has stepped up as pressures to cut the Pentagon budget have grown.

Mr. Cheney's calls for a new arms-control agreement involving

conventional weapons and his recent exhortation to Moscow to make still further cuts in its troops in Europe imply that he is considering cuts in U.S. ground forces there.

Under the plans to shift its focus from deployments in Europe, the army would reorganize around three basic kinds of units, each of which already exists in the continental United States, according to army officials.

One type is the 18th Airborne Corps, which includes a division of paratroopers, an air assault division equipped with helicopters, light infantry divisions, and a mechanized infantry division equipped with armored personnel carriers and tanks. Army divisions have 11,000 to 18,000 troops, and a corps must include at least two divisions.

The second type of unit would be Ranger and special operations forces trained to rescue hostages and conduct counterterrorist operations. Army officials are considering increasing the number of these forces, which are assigned to the Special Operations Command at McDill Air Force Base in Florida.

The third type of unit would involve armored and mechanized infantry divisions like the 3d Corps. With its headquarters at Fort Hood, Texas, 3d Corps would remain the center of the army's armored and mechanized reinforcements for Europe and could be called upon for large-scale combat operations elsewhere.

According to the army, troops and equipment could be drawn from each of these units to create a combined force tailored to deal with a particular conflict or threat.



Leona Helmsley being escorted by her husband, Harry, left, and an aide after leaving court.

## Behind Bars, Hotel 'Queen' Will Face 4 Workaday Years

Compiled by Our Staff From Dispatches

NEW YORK — Unlike in her 28-room residence in Greenwich, Connecticut, and her penthouse atop the Ritz Lane Hotel, there will be no swimming pool at any of the prisons where Leona Helmsley is likely to serve the four-year sentence she received this week.

That is just one of the adjustments that will have to be made by the woman whose penchant for comforts, including swimming laps every morning in one of her private pools, was described in intimate detail before her conviction at her trial last summer.

"Everyone is treated exactly the same inside the prison," said Gregory L. Bogdan, the public information officer for the Federal Bureau of Prisons in Washington.

The somewhat bleak equality at the six minimum-security federal prisons in the United States that house women generally means a 6 A.M. wake-up call over a prison public-address system. Breakfast is at 7:30, followed by a 7½-hour workday. The prison jobs include grounds maintenance or dining-hall orderly duty, Mr. Bogdan said.

On Tuesday, a federal judge in New York, saying that Mrs. Helmsley had been motivated by "naked greed," sentenced her to the four-year prison term, 750 hours of community service and fined her \$7.1 million for tax fraud.

Mrs. Helmsley, who described herself in advertisements as the queen of the Helmsley hotel chain, would be eligible for parole after 16 months in prison.

"The judge allowed her to remain free on bail pending an appeal, with the amount of bail to be determined later in a separate hearing."

"In imposing what many lawyers viewed as stern sentences on Mrs. Helmsley and two former employees, whose conspiracy trial became national theater last summer, Judge John M. Walker Jr. said, 'I trust that the sentences today will make it very clear that no person, no matter how wealthy or prominent, stands above the law.'"

Mrs. Helmsley and two employees, Joseph V. Licari and Frank J. Turco, were convicted in August on 33

felony counts related to evasion of \$1.2 million in U.S. income tax, including the diversion of funds from the real estate and hotel companies that she and her husband, Harry B. Helmsley, the billionaire real estate entrepreneur, controlled. The money was used to cover lavish personal expenditures.

Tuesday, the judge imposed the sentence after Mrs. Helmsley, 69, tearfully begged for mercy.

It was the first time the woman who was portrayed as a "tough bitch" by her own lawyer during the trial had spoken publicly about the charges.

Her face drawn, Mrs. Helmsley stood at a lectern in court and sobbed uncontrollably as she addressed the judge, begging not to be separated from her husband, who sat impassively in the third row.

But she did not acknowledge that she had done anything wrong. "I am more humiliated and ashamed than anybody could ever imagine that I have been found guilty of a serious crime," she said, her voice breaking. "I feel as though I'm in the middle of a nightmare."

She said that because of the case's extensive publicity, she and her husband for three years had been virtual prisoners in their home, unable to leave because they might be attacked or jeered. She said her life was "a nightmare." She referred to her continuing grief for her son, who died in 1982, and then spoke of Harry, 80, who has been judged mentally incompetent and whom she has been taking care of.

"I beg you, please don't let me lose Harry, too," she said. "Our whole life has been work and each other. We have nothing else."

She ended her statement by saying "I'm sorry, I'm sorry."

Mr. Helmsley, the founder of a New York real estate and hotel empire estimated to be worth \$5 billion, had been indicted along with his wife. But he was later judged unfit to stand trial because of failing memory.

As she and her husband left the courthouse, members of a crowd that had gathered outside shouted "whore" and "the queen is dead."

(NYT, WP, LAT)

## GIVENCHY

Couture - Boutique

SALES

From December 13 to 15 included  
9:30 a.m. - 6 p.m.

3, avenue George-V, Paris 8th.  
8, avenue George-V, Paris 8th.  
8, avenue Montaigne, Paris 8th.

THALASSA

JEAN LASSALE

10, rue Blavignac - Genève  
Tel. 022 42 53 60 - Fax 022 42 41 61

WALL STREET WATCH  
IN THE MT EVERY FRIDAY  
INSIDE REPORTING ON TRENDS  
AFFECTING THE U.S. STOCK MARKETS

MALAYSIA  
At Pelangi Beach Resort  
all's in harmony

Spread over 15 acres of beautiful beachfront on the island of Langkawi, the Pelangi Beach Resort is managed by a Malaysian Singaporean International...

At the Pelangi, we follow the teachings of Confucius. We believe that we should discipline his taught, and we will be harmonious.

We welcome you to our world of harmony.

MANAGING SINGAPORE INTERNATIONAL

Corporate Office: 333 Orchard Road, Singapore 0923. Tel: 737 4411, Fax: 732 2341, Telex: 85 21788 MANHOTEL

Regional Sales & Reservations Office: Tel: Bangkok 002 234 2844 • Hong Kong 02 241 717

• Kuala Lumpur 03 261 1306 • London 071 541 5212 • Los Angeles 021 627 8165 • New York 021 638 7874 • Singapore 235 3525 • Sydney 021 247 6477 • Tokyo 03 797 3641

Represented by C.I.T. International

## WE ARE AN INTERNATIONAL BANK BECAUSE WE ARE LOCAL IN 44 COUNTRIES.

Any bank with a foreign network can call itself international. But as far as the ABN is concerned, a bank only really deserves this title if it also has the necessary local knowledge in all the countries in which it does business.

This includes knowledge of local business practices as well as financial know-how. And, of course, knowledge of the markets in which the bank's clients operate. Because

only then is the bank able to offer surprising financial solutions to its clients, in any part of the world.

This means that the bank aims for an international network which is effective not only in the short term, but particularly also in the long term.

Over the years the ABN network has expanded to almost 1,000 offices spread over 44 countries. These operations are as local as our Head Office in Amsterdam,

but they think just as internationally as the renowned multinationals that have for years availed themselves of ABN know-how.

For day-to-day banking services such as electronic banking and import and export payments, of course.

But also for specific projects, which may run from leveraged-lease aircraft financing to co-generation energy projects. And from complex swaps to off-shore loans.

This then is the firm foundation on which the ABN builds solid relationships with large numbers of international enterprises. Because a bank that knows the world, automatically becomes known throughout the world.

**ABN Bank**

A WORLD OF UNDERSTANDING.

ARGENTINA, ARUBA, AUSTRALIA, AUSTRIA, BAHRAIN, BELGIUM, BRAZIL, BRITISH WEST INDIES, CANADA, CHANNEL ISLANDS, DENMARK, ECUADOR, FRANCE, GERMANY, GIBRALTAR, GREAT BRITAIN, GREECE, HONG KONG, INDIA, INDONESIA, IRELAND, ITALY, JAPAN, KENYA, KOREA, LEBANON, LIECHTENSTEIN, LUXEMBOURG, MALAYSIA, MOROCCO, NETHERLANDS, NETHERLANDS ANTILLES, PAKISTAN, PANAMA, PARAGUAY, PEOPLE'S REPUBLIC OF CHINA, SAUDI ARABIA, SINGAPORE, SPAIN, SRI LANKA, SURINAM, SWEDEN, SWITZERLAND, TAIWAN, TURKEY, UNITED ARAB EMIRATES, UNITED STATES OF AMERICA, URUGUAY, VIRGIN ISLANDS HEAD OFFICE, 32 VUZELSTRAAT, AMSTERDAM. THE NETHERLANDS. TELEPHONE 131-301-29 32 49 / 29 40 90 / 29 32 22.



## East Germany Hails Support By West but Sticks to Course

Compiled by Our Staff From Dispatches  
BERLIN — Prime Minister Hans Modrow said Wednesday that he welcomed U.S. support for the changes in East Germany.

The state-run press made it clear however, that while East Germany sought a better relationship with the West, the Communist leadership would continue to resist unification efforts and keep to a traditional socialist course.

Mr. Modrow also accepted an invitation to go to West Berlin in January, the mayor of West Berlin, Walter Momper, said Wednesday. It would be the first official visit by an East German leader. A date for the visit is to be scheduled.

Mr. Modrow met Tuesday with Secretary of State James A. Baker 3d, who expressed U.S. support for the democratic changes introduced in East Germany.

The East German leader said afterward that his country saw Mr. Baker's visit "without a doubt" as support for the process of change. "This visit is a political sign that the U.S. follows the developments in the G.D.R. with attention," Mr. Modrow said.

Mr. Modrow also met Tuesday with American congressmen and said that his government believed "this dialogue would lead to cooperation."

"During the discussion, the premier pointed to the various possibilities of bilateral cooperation, especially in the areas of trade, science and technology and culture," the state news agency, ADN, reported Wednesday. It said that the prime minister added a general call for the expansion of bilateral relations.

But the Communist Party still

wants to adhere to "socialist, anti-fascist, pacifist and all internationalist traditions, especially those of Lenin," according to a detailed proposal for restructuring the party published Wednesday by Neues Deutschland, the official party newspaper.

The proposal is scheduled to be considered over the weekend when the party's emergency congress resumes. The congress began last Friday but suspended its work after naming a new party leader, Gregor Gysi. He is the third man to hold the post in less than two months.

The Communists, who have held power for 40 years, will face their first real challenge in national parliamentary elections that have been set for May 6.

Both the Communists and members of East Germany's opposition expressed worry Wednesday about an increase in rightist nationalism in the country, especially after a demonstration in Leipzig on Monday.

The demonstration, attended by 200,000 people, was dominated by calls for German unity, chants of "Deutschland, Deutschland" and the waving of West German flags. A writer, Stefan Heym, said that the scene reminded him of 1933, — the year Hitler seized power.

The protest showed a rift opening between moderate opposition speakers and crowds seizing on German unity as a way to deliver them from a state burdened by corruption and economic decline.

"This is a tense time for us," said Sebastian Pfingbeil, a member of the largest opposition group, New Forum. "There was an unmistakable slide to the right for all to see."

A member of the Green Party, Vullrad Kuhn, agreed. He called for a halt to such demonstrations, arguing that the rallies were taking a dangerous turn. "We can't afford to let other forces hijack the movement," he said.

Efforts at change should be shifted from the streets to the roundtable forum set up by the opposition and the Communist-led government coalition, he added.

But Wolfgang Schnur, a lawyer and a member of Democracy Now argued that abandoning the rallies would mean capitulation for the opposition.

"We can't turn our backs," he said. "The power we now have, we've got to find a way of answering the fears of those people on the street so that they vote for us in May."

Government and opposition politicians fear that rightist groups could step into the vacuum left by the Communist Party. One official said Wednesday that West Germany's rightist Republican Party was recruiting members in East Germany.

In Bonn, meanwhile, the West German environment minister, Klaus Töpfer, announced that Bonn would contribute about \$540 million for 17 environmental improvement projects in East Germany.

West Germany has offered aid to East Germany on the condition that some capitalist methods be adopted. But the Berlin government has agreed to discuss only those cooperative ventures that fit into the socialist structure of the economy. (Reuters, AP)



Hundreds of barricades were lined up Wednesday in front of the Berlin Wall in West Berlin near the Brandenburg Gate in the event that the East German authorities decided to open the wall there.

## Baker's New Europe: 'A New Atlanticism'

Reuters  
BERLIN — Following are excerpts from a speech to the Berlin Press Club by Secretary of State James A. Baker 3d:

Free men, and free governments, are the building blocks of a Europe whole and free. But hopes for a Europe whole and free are tinged with concern by some that a Europe undivided may not necessarily be a Europe peaceful and prosperous.

Many of the guideposts that brought us securely through four sometimes tense and threatening decades are now coming down. Some of the divisive issues that once brought conflict to Europe are re-emerging.

As Europe changes, the instruments for Western cooperation must adapt. Working together, we must design and gradually put into place a new architecture for a new era.

This new structure must also accomplish two special purposes. First, as a part of overcoming the division of Europe there must be an opportunity to overcome through peace and freedom the division of Berlin and of Germany.

Second, the architecture should reflect that America's security — politically, militarily and economically — remains linked to Europe's security.

The charge for us all then is to work together toward the New Europe and the New Atlanticism.

We have moved significantly closer to concluding an agreement limiting conventional armaments from the Atlantic to the Urals. In Malta, President Bush proposed a summit meeting to sign such an agreement in 1990.

Today, I further propose that the ministers of the 23 NATO and Warsaw Pact nations take advantage of our February meeting in Ottawa, where we will launch the "open skies" negotiations, to review the status and give a further push to the Vienna Talks on Conventional Forces.

I... invite allied governments to consider establishing a NATO arms control verification staff. Verification will remain a national responsibility. But such a new staff would be able to assist member governments in monitoring compliance with arms control and confidence-building measures in Europe.

It could provide a clearinghouse for information contributed by national governments, perhaps joining with collective European efforts through the Western European Union.

Regional conflicts, along with the proliferation of missiles and nuclear, chemical and biological weapons, present growing dangers. Intensified NATO consultations on these issues can play an important role in forming common Western approaches to these various threats.

NATO should also begin considering further initiatives that might take, through the CSCE [Conference on Security and Cooperation in Europe] process in particular, to build economic and political ties with the East, to promote respect for human rights, to help build democratic institutions, and to fashion, consistent with Western security interests, a more open environment for East-West trade and investment.

The future development of the European Community will play a central role in shaping the New Europe.

The European experiment succeeded... because it also laid out the higher goal of political as well as economic barriers... Europe united.

We propose that the United States and the European Community work together to achieve whether in treaty or some other form, a significantly strengthened set of institutional and consultative links.

We suggest that our discussions about this idea proceed in parallel with Europe's efforts to achieve by 1992 a common internal market, so that plans for U.S.-EC interaction would evolve with changes in the Community.

As Czechoslovakia, Bulgaria and the German Democratic Republic undertake political and economic reforms comparable to those already under way in Poland and Hungary, we believe the activities of the Group of 24 (developing nations), centered round the EC, should be expanded to support peaceful change in these countries as well.

Free elections should now become the highest priority in the CSCE process.

We could involve parliamentarians more directly in CSCE processes, not only as observers as at present, but perhaps through their own meetings.

A new Europe, whole and free, must include arrangements that satisfy the aspirations of the German people and meet the legitimate concerns of Germany's neighbors.

As we adapt, as we update and expand our cooperation with each other and with the nations of the East, we will create a new Europe on the basis of a New Atlanticism.

At the same time, the substantive overlap between NATO and European institutions will grow. This overlap must lead to synergy, not friction.

The CSCE process could become the most important forum of East-West cooperation.

As these changes proceed, as they overcome the division of Europe, so too will the divisions of Germany and Berlin be overcome in peace and freedom.

## Report Says Volga Germans May Get Autonomous Area

International Herald Tribune

PARIS — The Frankfurter Allgemeine Zeitung reported in a dispatch from Moscow on Wednesday that the Supreme Soviet had decided to grant an autonomous geographic region to the Volga Germans.

The dispatch said the decision was made on Nov. 28 but not reported in the Soviet press to avoid the possibility of violent reaction. The newspaper said it had learned of the decision from members at-

tending the current session of the Soviet parliament.

The newspaper reported that a program leading to autonomy was to be drawn up. This plan, it said, required the approval of the Supreme Soviet at its spring session. A subsequent favorable vote would also be required from the Congress of People's Deputies, according to the report.

Stalin dissolved the Soviet Socialist Republic of the Volga Germans in 1941 after the outbreak of World War II.

Following its excellent performance in 1988, BASF is heading for another record year in 1989. In the first nine months pretax profit of the Group surged 22.1% over the same year-earlier period to DM 3.2 billion. Group sales advanced 10.3% to DM 35.9 billion. Pretax profit of the parent company, BASF Aktiengesellschaft, soared 23.6% to DM 2.4 billion, and sales reached DM 16.9 billion, a growth of 9.5%.

High capacity utilization and a turnaround in the company's oil and gas operations contributed significantly to BASF's performance in the first three quarters.

Particularly brisk demand for dyestuffs and finishing products was the driving force behind the increase in profits and sales. Business in polyurethanes, intermediates and fiber intermediates was also above average.

International sales recorded notable gains. Capital investments were maintained at a high level in line with the Group's long-term strategy of strengthening its international competitive position.

### Favorable Outlook

The results posted in the first three quarters, the rise in orders

on hand, and continued strong demand for BASF products point to another rewarding year for the Group and its shareholders as well as a good start in 1990 when the company will celebrate its 125th anniversary.

As one of the world's foremost international corporations, BASF is well positioned to reinforce its blue-chip status in the years to come.

BASF Aktiengesellschaft  
D-6700 Ludwigshafen  
West Germany

# BASF

The Blue-Chip Innovators

*Blue-Chip Results Again in 1989*

هذا من اجل



**WATER BOARD**  
SYDNEY — BLUE MOUNTAINS — ALLAHAMBA

## SEWAGE SLUDGE DISPOSAL REQUEST FOR TENDERS

The Sydney Water Board aims to cease all oceanic disposal of sewage sludge as soon as possible, but not later than October, 1992 as part of its environmental protection objectives. Accordingly, this request for tenders is concerned with identifying environmentally sensitive and economically efficient methods of long-term sludge disposal, with an emphasis on maximising reuse applications where possible.

The Water Board is adopting an open minded approach to achieving these objectives for sludge disposal and/or reuse, and is prepared to consider all options deemed to be technically and economically viable, in addition to those which are commercially available. A three to five year contract period is envisaged, however tenders which require a longer contract period will also be considered. Comprehensive bids including pricing are being sought. This advertisement is being placed on a world-wide basis. Solutions which can be implemented at the earliest possible date will be advantaged in the tender evaluation.

Tenderers should request a set of tender documents enclosing a fee of A\$200. The closing date is 9.30 a.m. (Sydney time) 15 March, 1990.

All enquiries, requests for tender documents, etc., should be directed in the first instance to:

Mr. Peter Hope, Residuals Manager.

Telephone: ISD 011 612 339 9252 or 011 612 339 9341

STD callers (02) 339 9252 or (02) 339 9341

Facsimile: ISD 011 612 332 3158 or STD callers (02) 332 3158

D.J. Lane, Supply Manager.



THE NEW SOUTH WALES GOVERNMENT  
Putting people first by managing better



## Czechs Seem to Near Accord on Presidential Vote

By John Tagliahue  
New York Times Service

PRAGUE — The Communist Party and the opposition appeared Wednesday to be moving toward agreement on a plan to purge the Federal Assembly of hard-line Communists to pave the way for the parliamentary election of a successor to Gustav Husak, the Communist president who stepped down under pressure on Sunday.

The official said the proposed deputies then would be replaced by "nonelected, delegated candidates" proposed by the Civic Forum opposition and the groups united in the National Front, the umbrella organization of political and social groupings that was formerly the Communists' principal instrument of control.

The official said the "reconstituted parliament" could then proceed to select a president "as soon as possible," perhaps before the end of the week. The proposal, if implemented, could give Czechoslovakia its first non-Communist chief of state since 1946.

The complex scheme, which was worked out in two days of intense discussions, was of special significance since, if it works, the Civic Forum opposition would like to see their candidate, Vaclav Havel, the playwright who is the nation's best-known dissident, elected president.

The plan was put forth at talks between Communists and the opposition and refined Wednesday in two rounds of discussions by legal experts.

## Gorbachev Prevails to Keep Party Role off Agenda

New York Times Service

MOSCOW — The opening debate at the Congress of People's Deputies began its fall session — on the critical issue of the Communist Party's constitutional monopoly on power — was settled quickly under the steady dominance of President Mikhail S. Gorbachev.

But the final vote in the enlarged Soviet legislature still managed to put minority interest in the issue on the record, indicating as Mr. Gorbachev conceded, that it would very likely return if only as part of a less timely, more drawn out attempt to revise the Soviet Constitution.

In a vote on expanding the Congress agenda to include debate on Article 6 of the constitution, which gives Communists dominance, Mr. Gorbachev was backed by 1,139

deputies who opposed the proposal, while 839 supported it and 56 abstained.

In a long, emotional, at times desk-slapping defense of Communist hegemony, Mr. Gorbachev contended that the issue was a choice between remaining on an intensified quest for his *perestroika* program of national renewal, guided by the party, or veering off on a "hasty" political tangent.

Mr. Gorbachev, a lawyer and vigilant master of the Congress, worked hard to hold the debate to the procedural question of changing the agenda and to rule out substantive statements questioning the party's monopoly on power.

"I'm asking you two to leave," he told two deputies, ruling even before they spoke that their points were not germane.

"All deputies who do not have something new to propose may return to their seats," he announced, waving his hand in a frowning contrast to the beaming, cooperative leader that so recently was on display in Malta in his role more familiar to the outside world.

A deputy who did reach the rostrum, the poet Yevgeni A. Yevtushenko, spoke directly as a nonparty member to the Communists in the hall, warning them that in these times the party would be wise to open up the pluralism debate.

"You cannot gain prestige from a single paragraph," he said, referring to Article 6. "Such authority should be earned daily."

At the last minute, Andrei D. Sakharov, the Nobel laureate, human rights champion and one of the most outspoken deputies, arose from his sixth-row seat and walked slowly toward the microphone.

His approach prompted groans from some of the party stalwarts as he advanced to speak. Leaning toward the microphone, he pleaded for the fullest congressional debate of issues crucial to revamping communism like property ownership and party pluralism.

"We have to open up a way for the parliament to adopt these laws without amending the constitution," Mr. Sakharov said.

"This will not do," Mr. Gorbachev interrupted at one point, not taking his usual care to appear courteously toward a man respected in the West as a voice of conscience.

Mr. Sakharov sought to raise Article 6 by citing telegrams from the public, but Mr. Gorbachev, unimpressed, interjected: "I can show you three folders of them with thousands. Let's not manipulate public opinion."

"That's all," he said, waving Mr. Sakharov back from the microphone.

Mr. Sakharov sought to raise Article 6 by citing telegrams from the public, but Mr. Gorbachev, unimpressed, interjected: "I can show you three folders of them with thousands. Let's not manipulate public opinion."

"That's all," he said, waving Mr. Sakharov back from the microphone.

## REFUGEES SOVIET: Kremlin Plans to Shift Economic Resources to Consumer Sector

### Deportation Plan

(Continued from page 1)

second group of Vietnamese to Hanoi next week, Reuters reported.

In London, the Foreign Office refused to comment on the remark. But it added: "Any future date will be announced when we have an announcement to make."

Foreign Secretary Douglas Hurd said Tuesday that no more Vietnamese would be sent home from Hong Kong until after a parliamentary debate on forced repatriation Tuesday.

The official in Hong Kong said the second flight, carrying fewer than 100 refugees, would leave the British colony after the debate but before the end of next week.

Francis Maude, the Foreign Office minister with responsibility for Hong Kong, skirted the issue of a date for resuming the deportations when pressed Wednesday by the House of Commons Foreign Affairs Committee.

He told the committee: "We have in mind that we have to continue the repatriations. There remain 40,000 people in Hong Kong who are unlikely to be found to be refugees. It is a problem which has to be resolved."

Judging from Mr. Ryzhkov's speech, Mr. Gorbachev appears to have opted for political caution. Plans to introduce new wholesale prices in both industry and agriculture have been postponed beyond 1990 and limits have been set on the distribution of state assets.

Progressive economists had predicted that new leasing arrangements would allow cooperatives and joint stock companies to control up to 60 percent of the economy over the next five years. But Mr. Ryzhkov said that leases would only account for roughly 10 percent of total production by 1995.

Yegor K. Ligachev, the conservative Politburo member responsible for agricultural policy, rejected any dismantling of the grossly inefficient collective farm system. In a speech to the Congress, he said that the private ownership of land would amount to the introduction

of a new social system and was therefore unacceptable.

The debate at the Congress suggests that there is considerable support for Mr. Ligachev's view among rank-and-file Communist Party activists. Several speakers were loudly applauded when they attacked the government's plans

for economic change, calling instead for greater "discipline" and a more equitable distribution system.

But while the transition to a market economy in the Soviet Union is likely to be slow and tortuous, the Kremlin clearly wants to move much more swiftly in putting its relations with its former East Euro-

pean satellites on a sound economic basis.

In his speech, Mr. Ryzhkov called on Comecon to transform itself into "a united market of Socialist countries."

"The proposal," he said, "is for this trade, starting in 1991, to be based on current world prices and a convertible currency."

## SPEND: Congress in Attack Mood

(Continued from page 1)

"It is time to begin rethinking our military requirements," he said that the Defense Department could begin cutting its budget by eliminating the B-2 "stealth" bomber and the rail-mobile MX missile, and could limit work on the Mid-

week at \$292 billion compared with about \$297 billion this year.

"What are you going to base the reduction on if you're not changing your threat assessment?" he asked.

"When you don't have accurate intelligence and planning factored into the budget," he said after the hearing, "the process itself becomes misleading and what flows from it loses credibility."

Mr. Nunn said he feared that the entrenched Pentagon bureaucracy was afraid to formally accept the estimate of a less threatening Soviet military because Congress would then push for greater cuts in military spending.

In the hearing, Mr. Wolfowitz said the administration was not changing its assumptions to reflect the less threatening military environment in Europe because of the "fundamental unpredictability" of the upheavals in Eastern Europe.

Mr. Nunn, addressing Paul D. Wolfowitz, the Pentagon undersecretary for policy, expressed serious concerns that Mr. Cheney had not factored into his budget request a new National Intelligence Estimate that cited greatly increased warning time in the event of a Soviet military mobilization in Eastern Europe.

"I don't know what we need intelligence assessments for," Mr. Nunn said. He pointed to testimony that the intelligence community in September had completed a formal review of Soviet military posture, adding, "and you say you are not going to plug it in."

Mr. Nunn also questioned the underpinning for the administration's 1991 fiscal year budget that goes to Congress next month. Mr. Bush set 1991 military outlays last

week at \$292 billion compared with about \$297 billion this year.

"What are you going to base the reduction on if you're not changing your threat assessment?" he asked.

"When you don't have accurate intelligence and planning factored into the budget," he said after the hearing, "the process itself becomes misleading and what flows from it loses credibility."

Mr. Nunn said he feared that the entrenched Pentagon bureaucracy was afraid to formally accept the estimate of a less threatening Soviet military because Congress would then push for greater cuts in military spending.

In the hearing, Mr. Wolfowitz said the administration was not changing its assumptions to reflect the less threatening military environment in Europe because of the "fundamental unpredictability" of the upheavals in Eastern Europe.

"We intend to revisit this decision as the strategic situation becomes clearer," he said, particularly after U.S. and Soviet negotiators conclude a conventional forces treaty that would require a pullout of about 300,000 Soviet troops and their armor from Eastern Europe.

"If this sounds cautious, I'll plead guilty," he said.

"If this sounds cautious, I'll plead guilty," he said.

"If this sounds cautious, I'll plead guilty," he said.

"I don't know what we need intelligence assessments for," Mr. Nunn said. He pointed to testimony that the intelligence community in September had completed a formal review of Soviet military posture, adding, "and you say you are not going to plug it in."

Mr. Nunn also questioned the underpinning for the administration's 1991 fiscal year budget that goes to Congress next month. Mr. Bush set 1991 military outlays last

week at \$292 billion compared with about \$297 billion this year.

"What are you going to base the reduction on if you're not changing your threat assessment?" he asked.

"When you don't have accurate intelligence and planning factored into the budget," he said after the hearing, "the process itself becomes misleading and what flows from it loses credibility."

Mr. Nunn said he feared that the entrenched Pentagon bureaucracy was afraid to formally accept the estimate of a less threatening Soviet military because Congress would then push for greater cuts in military spending.

In the hearing, Mr. Wolfowitz said the administration was not changing its assumptions to reflect the less threatening military environment in Europe because of the "fundamental unpredictability" of the upheavals in Eastern Europe.

"We intend to revisit this decision as the strategic situation becomes clearer," he said, particularly after U.S. and Soviet negotiators conclude a conventional forces treaty that would require a pullout of about 300,000 Soviet troops and their armor from Eastern Europe.

"If this sounds cautious, I'll plead guilty," he said.

"If this sounds cautious, I'll plead guilty," he said.

"If this sounds cautious, I'll plead guilty," he said.

"If this sounds cautious, I'll plead guilty," he said.



**TERRORIST WATCH IN FRANCE** — French riot policemen outside the Marks & Spencer department store in Paris as part of increased patrols at shopping areas during the holiday season. A 27-year-old Tunisian on trial in the 1985 bombing of the store, in which a security guard died and 18 bystanders were wounded, was expelled from the courtroom Wednesday after protesting solitary confinement. France also stepped up border controls and airport security.

## BAKER: Blueprint Wins Applause From Europeans

(Continued from page 1)

the appetite of East Germans for quick unification.

Several Western officials praised Mr. Baker for leaving intact the U.S. commitment to German self-determination while reinforcing attempts to brake momentum toward unification in both Germany.

West European leaders reacted negatively to the Kohl initiative, sometimes citing worries that German unity could harm President Mikhail S. Gorbachev of the Soviet Union, and tacitly acknowledging fears of seeing Germany become an economic superpower.

The Bush administration has maintained its support for unification, while spelling out conditions for its implementation that were adopted almost unchanged last week by EC leaders at their summit meeting in Strasbourg.

A significant new aspect of U.S. policy, officials said, was Mr. Baker's interest in the long-term potential of a strengthened version of the consultations known as the Conference on Security and Cooperation in Europe. In his vision, this forum could serve as a vehicle for the United States to play a permanent role in shaping European security even if NATO's role were diluted.

Officials in both countries have often floated the idea of beefing up the statutes and institutional framework of the security conference in hopes of binding the United States to future developments in Europe, even if the role of NATO was diluted.

The European security negotiations — covering military stability, economic relations and human rights in Europe — involve 35 nations, including all 23 members of NATO and the Warsaw Pact, so they are the only European forum that includes both the Soviet Union and the United States.

Although successive U.S. administrations have seen the talks mainly as an East-West propaganda exercise with little substantive impact on security issues, both West Germany and France credit the process with helping promote liberalization in Eastern Europe since the Helsinki Final Act in 1975.

Officials in both countries have often floated the idea of beefing up the statutes and institutional framework of the security conference in hopes of binding the United States to future developments in Europe, even if the role of NATO was diluted.

The Bush administration has maintained its support for unification, while spelling out conditions for its implementation that were adopted almost unchanged last week by EC leaders at their summit meeting in Strasbourg.

Although successive U.S. administrations have seen the talks mainly as an East-West propaganda exercise with little substantive impact on security issues, both West Germany and France credit the process with helping promote liberalization in Eastern Europe since the Helsinki Final Act in 1975.

Officials in both countries have often floated the idea of beefing up the statutes and institutional framework of the security conference in hopes of binding the United States to future developments in Europe, even if the role of NATO was diluted.

## POLICY: Baker Plan May Hold Seeds of Controversy

(Continued from page 1)

their access to a single American market."

But, in an unmistakable reference to fears that the EC might become an instrument for restricting U.S. trade, investment and political influence in Europe, he added, "It is vital to us that both these markets remain open — indeed that both become even more open."

responses together as a matter of common course.

ronmental agency, the United States and the EC look at processes of consultation."

"To this end," he said, "we propose that the United States and the European Community work together to achieve, whether in treaty or some other form, a significantly strengthened set of institutional and consultative links."

But, the official acknowledged, the Bush administration intends to press its view that there is a need to create "a relation between a community of nations with one other very large nation."

Despite Mr. Baker's basic premise that the West must help build democratic institutions to replace the crumbling communist order in Eastern Europe, he took a clear, slow approach to the question of German unification.

"What we're suggesting should be seriously examined," he said, "is that, as the EC process integrates, for example in forming a new envi-

ronmental agency, the United States and the EC look at processes of consultation."

Despite Mr. Baker's basic premise that the West must help build democratic institutions to replace the crumbling communist order in Eastern Europe, he took a clear, slow approach to the question of German unification.

## Soviets Prevented Slaughter In Leipzig, Brandt Declares

Agence France-Press

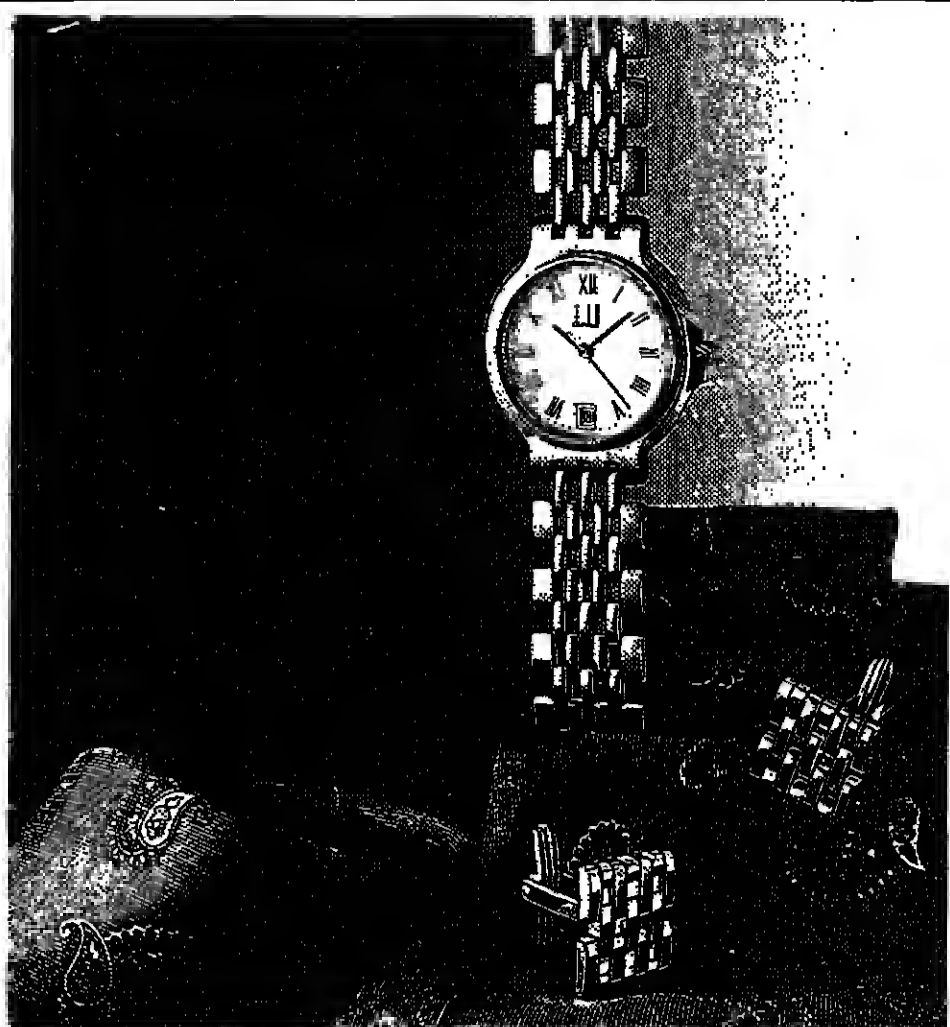
MUNICH — The Soviet Union prevented a bloodbath during the first big demonstration organized by the East German opposition in Leipzig on October, according to Willy Brandt, the former West German chancellor.

In an interview due to appear Thursday in three West European dailies, Mr. Brandt said that Soviet officers in the East German Army leadership, backed by Moscow, prevailed on East German troops and tanks to remain in barracks Oct. 9.

"Mr. Brandt's account is one of several about what happened in East Germany as demonstrations increased dramatically and finally led to the fall of the Communist government."

The West German opposition has repeatedly said that Erich Honecker, the former East German leader, ordered an army crackdown on the Oct. 9 demonstration.

Mr. Brandt, the author of Bonn's policy of opening up to the East during the 1970s, also said he was told during a visit to Moscow that Mr. Honecker would resign the day before it actually happened. Mr. Honecker resigned on Oct. 18.



INDIVIDUALITY. A CLASSIC TIMEPIECE THAT REPRESENTS THE PINNACLE OF THE WATCHMAKERS ART. THE STEEL AND 18 CT GOLD ELITE. PART OF A COMPLETE RANGE OF WATCHES FROM ALFRED DUNHILL.

dunhill

VISIT ALFRED DUNHILL IN LONDON, PARIS, GENEVE AND MÜNCHEN

## THE SILK ROAD PACKAGE — YOU WON'T FIND A BETTER DEAL THIS SEASON IN CHINA.



**A BEIJING**  
The Great Wall Sheraton Hotel  
• Superior room for US\$80 a night, single or double occupancy.  
• Airport greeting.  
• Complimentary daily American breakfast per person.  
• Complimentary international newspaper.  
• Complimentary wake-up call with tea & coffee.  
• Complimentary shoeshine, packing and unpacking.  
• Complimentary use of sauna and swimming pool.  
• Weekly invitation to the General Manager's cocktail party.  
• Available from November 23 1989 — March 31 1990.

**A SHANGHAI**  
The Sheraton Hua Ting Hotel  
• Superior room for US\$69 per night, single or double occupancy.  
• Complimentary newspaper.  
• Late check-out up to 6 p.m. on day of departure.  
• Complimentary use of fitness centre sauna and whirlpool.  
• Complimentary airport/hotel shuttle service.  
• Complimentary downtown shuttle service.  
• Available from November 15th 1989 — April 15 1990.  
(Corporate rate agreements do not apply.)

**A TIANJIN**  
Sheraton Tianjin Hotel  
• Superior room for US\$60 a night, single or double occupancy.  
• Complimentary newspaper.  
• Complimentary use of fitness centre, sauna and swimming pool.  
• Complimentary use of bicycle.  
• Weekly invitation to the General Manager's cocktail party.  
• Round trip transfer to and from Tianjin Airport/Railway Station.  
• SCI members are entitled to double club points.  
• Available from December 1st 1989 — March 15th 1990.

**A GUILIN**  
Sheraton Guilin Hotel  
• Superior room for US\$38 a night, single or double occupancy.  
• Complimentary Dim Sum breakfast.  
• Available from November 16th 1989 — March 30th 1990.

FOR INSTANT CONFIRMED RESERVATIONS CALL THE HOTELS DIRECTLY ON BEIJING 861-5005566 SHANGHAI 8621-4391000/4396000 TIANJIN 8622-343388 GUILIN 225588 OR CALL USA AND CANADA 800-3253535 JAPAN 0120-003535 BELGIUM 11-3535 WEST GERMANY 0130-3535 HONG KONG 3-739355 SINGAPORE 732-6000 \* PLUS 10% SERVICE CHARGE. THIS PACKAGE IS COMMISSIONABLE TO TRAVEL AGENTS

Sheraton  
The hospitality people of ITT



# In Beijing, a Hint Bush's Initiative May Succeed

By Steven Erlanger  
New York Times Service

BEIJING — President George Bush is taking something of a chance in the surprise visit to Beijing last weekend of his special emissary: that the Chinese leadership will quickly reduce the repression that has followed the crushing of pro-democracy demonstrations in June.

The president's decision to send his national security adviser, Brent Scowcroft, to Beijing effectively broke his administration's ban on high-level exchanges with the Chinese, and it has been sharply criticized in Washington as a kowtow to an unrepentant and unappreciative Chinese leadership widely despised for its killings of unarmed demonstrators.

Yet, rather than a kowtow, some Western and Asian diplomats in Beijing say, the U.S. move is likely to be interpreted by the Chinese as a gesture made from consideration and strength, and which will put the leadership under some obligation to respond.

The Chinese are well aware of their unpopularity and isolation in the world, which extends from the West through the rapidly shifting socialist states, whose headlong abandonment of rigorous party control has

been criticized by the Chinese, Mikhail Gorbachev, the Soviet leader, is regarded as a dangerous madman by Chinese leaders, who see him as a larger threat than Western influence to party hegemony in China, diplomats say.

The East Germans even welcomed the Dalai Lama recently, which is said to have caused great apoplexy here. The exiled Tibetan monk later was given the Nobel Peace Prize for his struggle against Chinese rule.

The Chinese are also aware, that argument goes, that Mr. Scowcroft's visit and its bound to be hit with more as soon as Com-

form of quid-pro-quo response, however indirect, to answer Mr. Bush's requirements.

U.S. influence would also be required to free loans China needs from international agencies like the World Bank and the Asian Development Bank, or to allow the Chinese to join the General Agreement on Tariffs and Trade, which Taiwan, its application on hold out of deference to China, is already qualified to join.

Areas where the president would like to see movement by the Chinese include a lifting of martial law, including in Tibet; a halt or at least a reduction in the pace of trials and executions of those who took part in the pro-democracy demonstrations; a return to normal contact with the Western embassies and a reduction of their enforced isolation; a resumption of the normal flow of information into China and of intellectual contacts, and two particularly American concerns: a formal halt in Chinese medium-range missile sales, especially in the Middle East, and a resolution of the problem of Fang Lizhi and his wife, Li Shuxian, leading Chinese dissidents who took refuge in June in the U.S. Embassy and who are subject to arrest.

Those issues are said to have been made

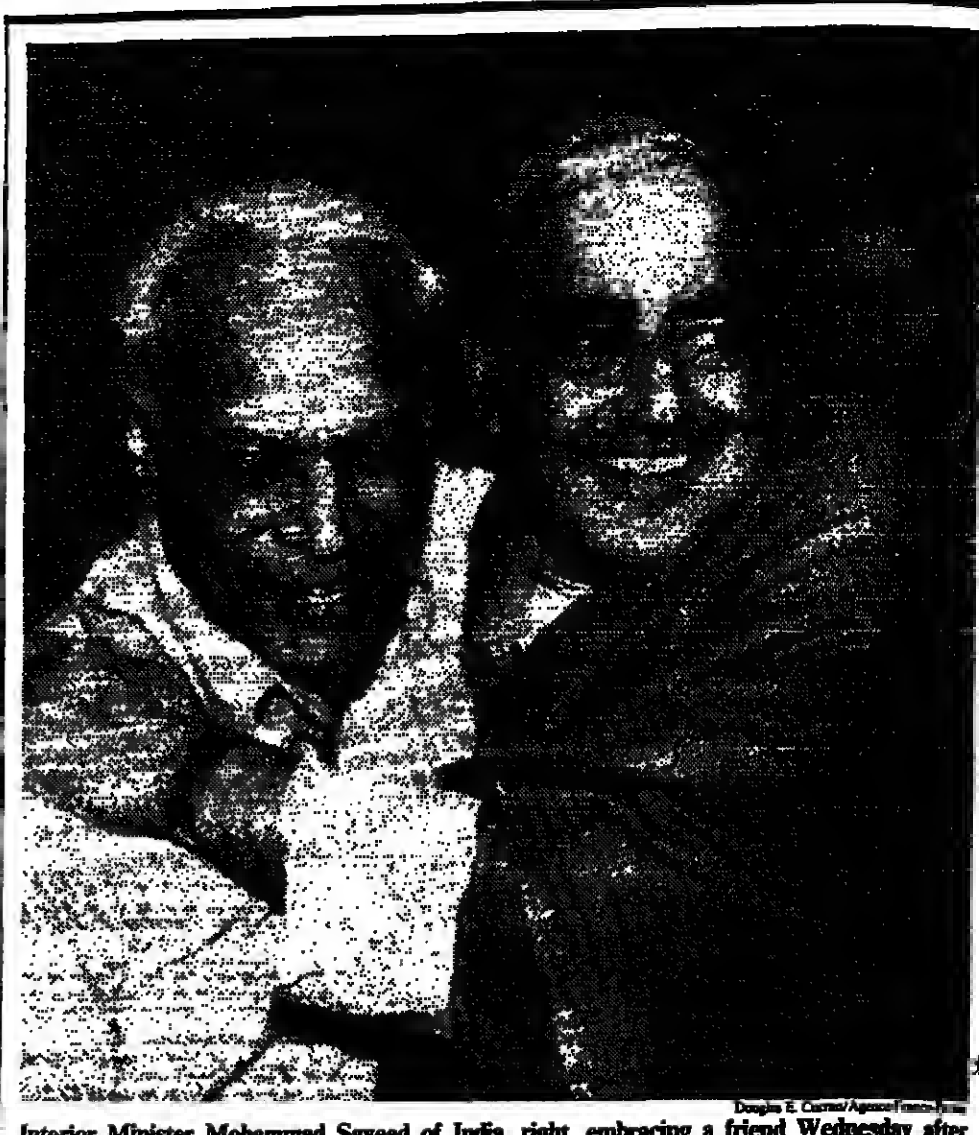
clear to the Chinese in the weekend meetings, which non-American diplomats take as a sign that Washington is being more blunt and aggressive with the Chinese, who are in the midst of leadership struggles about the depth and nature of their relationship with the West.

Some Chinese, arguing for a turn away from the West, are comparing foreign influence in China now to the period of the Boxer Rebellion at the turn of the century, when the Empress Dowager, after years of enforcing Western privileges under the unequal treaties, gave her sanction to the cry: "Destroy the foreigners!" setting off an international invasion and march on Beijing.

Some mid-ranking American officials said privately that they were astounded and dismayed by the Scowcroft visit, which meant the sudden return of the U.S. ambassador, James R. Lilley, from home leave.

Some worry that the intended message will not get across to Chinese leaders, or that they will take it as a gesture of realpolitik-based support, no matter their past actions.

Others said they feared that the visit would be taken as a green light by the Japanese to resume business as usual with China, diplomatic and commercial.



Interior Minister Mohammad Sayeed of India, right, embracing a friend, Kashmiri separatist leader, during a hearing that his daughter, Rubia, was freed by Kashmiri separatists in exchange for five militants.

## Manila Bans Civilian Guns to Curb Rebel Supply

United Press International

MANILA — The Philippine military prohibited civilians Wednesday from carrying guns in an effort to stop the flow of weapons to rebellious soldiers and officers still at large. The soldiers are reported to be trying to mount another uprising.

President Corason C. Aquino, meanwhile, took a step toward winning congressional approval of a bill temporarily granting her broader power to deal with the economic effects of the most recent coup attempt.

The House of Representatives unanimously approved the bill by

voice vote Wednesday night. But it placed a three-month limit on Mrs. Aquino's decree-making power and confined the power to economic matters. It rejected her request to ban strikes and said officials could seek court warrants to search for illegally stockpiled weapons.

The Senate was debating a simi-

lar bill, which would grant Mrs. Aquino six months of sweeping legislative power and would authorize a strike ban. If the Senate bill passes, a compromise bill will be worked out and submitted to Mrs. Aquino.

Major General Ramon Montano, the Philippine Constabulary

## India Woman Freed in Kidnapping Deal

SRINAGAR, India (Reuters)—The kidnapped daughter of Interior Minister Mohammad Sayeed of India was released Wednesday in exchange for five Kashmiri militants, officials said.

Kashmiri officials said the minister for external affairs, Inderjit Singh, who flew to Srinagar at dawn, authorized the state government to give way

on the two sticking points holding up the exchange after the kidnappers renewed a threat to kill Rubia Sayeed, 23.

The five militants were set free in the old city of Srinagar, at the secessionist Jammu and Kashmir Liberation Front had demanded. Rubia Sayeed was released two hours later.

## China Cracks Down on French Tax Evaders

BEIJING — China announced Wednesday that tax inspectors were carrying out a large-scale crackdown on French businesses in Beijing, accusing them of income tax evasion and obstructing official investigations.

Western diplomats said the clampdown, on the offices of French banks and other firms in the Chinese capital, followed a yearlong investigation.

But the announcement of the results appeared linked to the chill in relations between the two countries, the diplomats added.

The China Daily said that Beijing tax authorities had recovered 5.17 million yuan (about \$1.4 million) from the accused firms, whose expatriate employees, it said, had been failing to declare between 70 percent and 90 percent of their taxable incomes. After the swoop on five French bank offices, other French businessmen in the city voluntarily began paying back taxes, the newspaper added.

During the investigations, the unnamed French banks "delayed and delayed, refusing to provide relevant evidence for tax author-

ties, arguing that it interfered with normal work," the Economic Information newspaper said in a separate report.

The China Daily quoted a tax official as saying that the tax crackdown would be extended to include other foreign nationals.

China has criticized France since June for offering refuge to Chinese fugitives. France was the first Western European country to freeze high-level diplomatic contacts with Beijing in protest against the killing of hundreds of pro-democracy demonstrators in June.

## CAREER OPPORTUNITIES

### EXECUTIVES AVAILABLE

EXPORT DIRECTOR, 40 yrs, 20 yrs business responsibilities, Europe 20 yrs Overseas. Fluent French, English, German, Russian. Specialized in export management. Excellent communication skills. Excellent references. 211-2221. New York City, New York.

QUALIFIED MANAGEMENT ACCOUNTANT with manufacturing & service background. 10 yrs experience in financial & cost accounting. Excellent references. 211-2221. New York City, New York.

REAL-TIME SOFTWARE ENGINEER. English, French, Spanish, based in Paris. 10 yrs experience in software development. Excellent references. 211-2221. New York City, New York.

### GENERAL POSITIONS AVAILABLE

Société de Commerce International, Paris. Recherche pour son département technique, JEUNE CANDIDATE (f), 1 à 5 ans d'expérience. Implication totale, esprit d'équipe, maîtrise de l'anglais/français. 211-2221. New York City, New York.

RELOCATION COMPANY seeks dynamic bilingual French/English speaking salesperson. Excellent references. 211-2221. New York City, New York.

OVERSEAS POSITIONS. Hundreds of top paying positions. All countries. Free details. Overseas Employment Service, Inc., 1111 1st Ave., New York, NY 10001. Tel: 212-691-1111.

### GENERAL POSITIONS AVAILABLE

IN COMPANY FINANCIAL TRANSLATOR required for full-time position. Must have 2 years experience and English fluency. Excellent references. 211-2221. New York City, New York.

INTERNATIONAL BUSINESSMAN with 10 yrs experience in Europe, USA and Africa. Excellent references. 211-2221. New York City, New York.

PARIS-BASED AMERICAN professional seeking "good position" with the American Cancer Society. Excellent references. 211-2221. New York City, New York.

EXECUTIVE TRAVEL ASSISTANT for international travel agency. 211-2221. New York City, New York.

INTERNATIONAL NEWS AGENCY seeks bilingual newspaper editors. Excellent references. 211-2221. New York City, New York.

CHAUFFEUR-ASSISTANT, SUITE 301, 10101 Avenue de la République, 75011 Paris. 211-2221. New York City, New York.

### GENERAL POSITIONS WANTED

You have a subsidiary company in Argentina. You are looking for a Marketing, Public Relations, General Manager, 211-2221. New York City, New York.

YOUNG FREELANCE writer, BA in Sociology, English speaking, 10 yrs experience in journalism, 211-2221. New York City, New York.

INHERENT TROUBLESHOOTER. Mechanical, electrical, 211-2221. New York City, New York.

DUTCH MBA (30) available for short term assignments. 211-2221. New York City, New York.

DYNAMIC YOUNG BUSINESS school graduate, motivated, 211-2221. New York City, New York.

EDUCATION - Private bilingual school in Belgium needs native English speaking. 211-2221. New York City, New York.

### GENERAL POSITIONS WANTED

BILINGUAL INT'L REAL ESTATE Broker looking for a position in New York City. 211-2221. New York City, New York.

EXPERIENCED GERMAN INDUSTRY. Fluent English/Spanish/French, 211-2221. New York City, New York.

TWO RESPONSIBLE, HONEST individuals seeking a position in New York City. 211-2221. New York City, New York.

EDUCATIONAL POSITIONS AVAILABLE. 211-2221. New York City, New York.

SCHOLARSHIP UNIVERSITY, Paris. 211-2221. New York City, New York.

EXECUTIVE LANGUAGE SERVICES. 211-2221. New York City, New York.

### EDUCATION POSITIONS AVAILABLE

ATTRACTIVE LADY, 47 years old, 211-2221. New York City, New York.

EXPERIENCED AMERICAN Bilingual teacher for part-time post with American. 211-2221. New York City, New York.

EXPERIENCED FREELANCE TEACHER. 211-2221. New York City, New York.

EDUCATION - Private bilingual school in Belgium needs native English speaking. 211-2221. New York City, New York.

EDUCATION - Private bilingual school in Belgium needs native English speaking. 211-2221. New York City, New York.

EDUCATION - Private bilingual school in Belgium needs native English speaking. 211-2221. New York City, New York.

International Herald Tribune ads work

### REAL ESTATE TO RENT/SHARE

GREAT BRITAIN. CENTRAL LONDON. Simply the very best selection of luxury houses and flats in the Capital. 211-2221. New York City, New York.

REAL ESTATE WANTED/EXCHANGE. 211-2221. New York City, New York.

EMPLOYMENT. 211-2221. New York City, New York.

SECRETARIAL POSITIONS AVAILABLE. 211-2221. New York City, New York.

MINERVE. 211-2221. New York City, New York.

AGENCY IN WEST PARIS. 211-2221. New York City, New York.

TELEX OPERATOR. 211-2221. New York City, New York.

ESCORTS & GUIDES. 211-2221. New York City, New York.

INTERNATIONAL ESCORT SERVICE. 211-2221. New York City, New York.

MERCEDES. 211-2221. New York City, New York.

AT YOUR SERVICE. 211-2221. New York City, New York.

LONDON. 211-2221. New York City, New York.

KENSINGTON. 211-2221. New York City, New York.

LONDON. 211-2221. New York City, New York.

ESCORTS & GUIDES. 211-2221. New York City, New York.

INTERNATIONAL ESCORT SERVICE. 211-2221. New York City, New York.

MERCEDES. 211-2221. New York City, New York.

AT YOUR SERVICE. 211-2221. New York City, New York.

LONDON. 211-2221. New York City, New York.

KENSINGTON. 211-2221. New York City, New York.

LONDON. 211-2221. New York City, New York.

ESCORTS & GUIDES. 211-2221. New York City, New York.

INTERNATIONAL ESCORT SERVICE. 211-2221. New York City, New York.

MERCEDES. 211-2221. New York City, New York.

AT YOUR SERVICE. 211-2221. New York City, New York.

LONDON. 211-2221. New York City, New York.

KENSINGTON. 211-2221. New York City, New York.

LONDON. 211-2221. New York City, New York.

## INTERNATIONAL CLASSIFIED

(Continued From Back Page)

EMPLOYMENT. 211-2221. New York City, New York.

DOMESTIC POSITIONS AVAILABLE. 211-2221. New York City, New York.

YOUNG WOMAN seeks for beginning of Jan '90 - Young girl eager to help in the house 4 hours per day in Paris. 211-2221. New York City, New York.

DOMESTIC POSITIONS WANTED. 211-2221. New York City, New York.

CHILD CARE EXPERIENCE. 211-2221. New York City, New York.

AMERICAN EAST/ST. 211-2221. New York City, New York.

LOW COST FLIGHTS. 211-2221. New York City, New York.

WORLDWIDE. 211-2221. New York City, New York.

AMERICAN PASSENGER. 211-2221. New York City, New York.

AMERICAN PASSENGER. 211-2221. New York City, New York.

AMERICAN PASSENGER. 211-2221. New York City, New York.

AMERICAN PASSENGER. 211-2221. New York City, New York.

AMERICAN PASSENGER. 211-2221. New York City, New York.

AMERICAN PASSENGER. 211-2221. New York City, New York.

AMERICAN PASSENGER. 211-2221. New York City, New York.

AMERICAN PASSENGER. 211-2221. New York City, New York.

AMERICAN PASSENGER. 211-2221. New York City, New York.

AMERICAN PASSENGER. 211-2221. New York City, New York.

AMERICAN PASSENGER. 211-2221. New York City, New York.

AMERICAN PASSENGER. 211-2221. New York City, New York.

AMERICAN PASSENGER. 211-2221. New York City, New York.

AMERICAN PASSENGER. 211-2221. New York City, New York.

AMERICAN PASSENGER. 211-2221. New York City, New York.

AMERICAN PASSENGER. 211-2221. New York City, New York.

AMERICAN PASSENGER. 211-2221. New York City, New York.

AMERICAN PASSENGER. 211-2221. New York City, New York.

AMERICAN PASSENGER. 211-2221. New York City, New York.

### AUTOS TAX FREE

TRASCOR BREMEN. 211-2221. New York City, New York.

TRASCOR BREMEN. 211-2221. New York City, New York.

TRASCOR BREMEN. 211-2221. New York City, New York.

TRASCOR BREMEN. 211-2221. New York City, New York.

TRASCOR BREMEN. 211-2221. New York City, New York.

TRASCOR BREMEN. 211-2221. New York City, New York.

TRASCOR BREMEN. 211-2221. New York City, New York.

TRASCOR BREMEN. 211-2221. New York City, New York.

TRASCOR BREMEN. 211-2221. New York City, New York.

TRASCOR BREMEN. 211-2221. New York City, New York.

TRASCOR BREMEN. 211-2221. New York City, New York.

TRASCOR BREMEN. 211-2221. New York City, New York.

TRASCOR BREMEN. 211-2221. New York City, New York.

TRASCOR BREMEN. 211-2221. New York City, New York.

TRASCOR BREMEN. 211-2221. New York City, New York.

TRASCOR BREMEN. 211-2221. New York City, New York.

TRASCOR BREMEN. 211-2221. New York City, New York.

TRASCOR BREMEN. 211-2221. New York City, New York.

TRASCOR BREMEN. 211-2221. New York City, New York.

TRASCOR BREMEN. 211-2221. New York City, New York.

TRASCOR BREMEN. 211-2221. New York City, New York.

TRASCOR BREMEN. 211-2221. New York City, New York.

TRASCOR BREMEN. 211-2221. New York City, New York.

TRASCOR BREMEN. 211-2221. New York City, New York.

TRASCOR BREMEN. 211-2221. New York City, New York.

TRASCOR BREMEN. 211-2221. New York City, New York.

TRASCOR BREMEN. 211-2221. New York City, New York.

TRASCOR BREMEN. 211-2221. New York City, New York.

### HOTELS

EDEN PLAZA HOTEL. 211-2221. New York City, New York.

EDEN PLAZA HOTEL. 211-2221. New York City, New York.

EDEN PLAZA HOTEL. 211-2221. New York City, New York.

EDEN PLAZA HOTEL. 211-2221. New York City, New York.

EDEN PLAZA HOTEL. 211-2221. New York City, New York.

EDEN PLAZA HOTEL. 211-2221. New York City, New York.

EDEN PLAZA HOTEL. 211-2221. New York City, New York.

EDEN PLAZA HOTEL. 211-2221. New York City, New York.

EDEN PLAZA HOTEL. 211-2221. New York City, New York.

EDEN PLAZA HOTEL. 211-2221. New York City, New York.

EDEN PLAZA HOTEL. 211-2221. New York City, New York.

EDEN PLAZA HOTEL. 211-2221. New York City, New York.

EDEN PLAZA HOTEL. 211-2221. New York City, New York.

EDEN PLAZA HOTEL. 211-2221. New York City, New York.

EDEN PLAZA HOTEL. 211-2221. New York City, New York.

EDEN PLAZA HOTEL. 211-2221. New York City, New York.

EDEN PLAZA HOTEL. 211-2221. New York City, New York.

EDEN PLAZA HOTEL. 211-2221. New York City, New York.

EDEN PLAZA HOTEL. 211-2221. New York City, New York.

EDEN PLAZA HOTEL. 211-2221. New York City, New York.

EDEN PLAZA HOTEL. 211-2221. New York City, New York.

EDEN PLAZA HOTEL. 211-2221. New York City, New York.

EDEN PLAZA HOTEL. 211-2221. New York City, New York.

EDEN PLAZA HOTEL. 211-2221. New York City, New York.

EDEN PLAZA HOTEL. 211-2221. New York City, New York.



# CAREER OPPORTUNITIES

## PROFESSIONAL DEVELOPMENT TRAINING OFFICER

Baker & McKenzie, the world's largest international law firm, is seeking a regional training officer to undertake professional development work in the Firm's Pacific Rim offices.

The post calls for an effective and creative communicator, with an enthusiasm for teaching and highly developed motivational skills. The successful candidate must possess some administrative ability but the primary focus of the position will be on teaching lawyering skills, such as legal writing, effective speaking and negotiation techniques. An appreciation of the sensitivity to the cultural and jurisdictional differences within the region is essential.

The appointee will be based in one of the Firm's Pacific Rim offices (the Firm has offices in Australia, China, Hong Kong, Japan, Korea, The Philippines, Singapore, Taiwan and Thailand) and will be expected to undertake extensive travel within the region.

The appointment will, initially, be for a two year period and will be subject to review thereafter. The post might especially suit a lawyer with existing experience in a training or academic environment who would be able to secure leave or secondment to the Firm for a two year period.

The post will carry an attractive salary package commensurate with the successful candidate's qualifications, experience and responsibilities.

Applications should be sent to:

The Director of Professional Development, Baker & McKenzie, Aldwych House, Aldwych, London WC2B 4JR England. Applications must reach London by January 31st, 1990.

**BAKER & MCKENZIE**



## Course developer/Instructor : EUCLID-IS

MATRA DATAVISION, developer of EUCLID-IS one of the world's leading CAD/CAM solutions, has opening for engineer with a degree in mechanical, industrial, architectural, or civil engineering. You must have a minimum of two years experience with CAD/CAM systems and experience in numerical control, mechanical design, and/or analysis. You should be fluent in English and have good communication skills. A knowledge of French is helpful but not required.

As a course Developer/Instructor, you will be responsible for developing customer training course materials for delivery by MATRA DATAVISION's subsidiaries and distributors. You will deliver training to international customers, distributors, partners and internal personnel. You will be working closely with our development engineers and technical specialists on state of the art software in order to develop and deliver training on our new products. Up to 20% travel will be required as you will provide training to international customers throughout the world.

If you are interested in a challenging career, working with the most sophisticated CAD/CAM software in the market, the opportunity to travel, and people contact, send your application to DRH MATRA DATAVISION - BP 718 - 31 Avenue de la Baillie - 91961 LES ULIS - FRANCE.



**MATRA DATAVISION**

IL Y AURA TOUJOURS DES HOMMES DE TALENT

## CAREER OPPORTUNITIES

appears every THURSDAY and MONDAY

United Nations Organization operating in the Middle East requires a

## Chief, Program Planning and Evaluation Office

at its Headquarters in Vienna. Incumbent will be key planning and management adviser to Agency's top executive staff and will initiate major evaluation studies to insure cost effective and efficient operations of a wide variety of large scale education, health and relief programs administered by Agency's over 17,000 staff with an annual operating budget of over 200 million dollars. Requirements include a university degree at the advanced level in economics, statistics, management science, business studies, operations research or related field; ten years' experience including four years in supervisory capacity and at least three years at international level involving both planning and evaluation, management controls and related functions at a senior adviser or management level. Incumbent will have good communication skills and proven ability to organize and motivate staff. Experience in the analysis of Education, Health and Welfare Programs, possibly in development countries and working knowledge of Arabic and French are desirable.

Annual net tax free remuneration at entry level approx. U.S. \$63,000. - (single) and U.S. \$69,000. - (with dependants) plus fringe benefits.

Detailed applications before January 3, 1990 to: Chief, Personnel Services Division (VN/30/89)

UNRWA Headquarters Vienna, Vienna International Centre P.O. Box 700, A-1400 Vienna, Austria.



## Ingénieur d'affaires export

POUR SA DIVISION "ENERGIE NUCLEAIRE"

Sur un marché mondial, il participe à l'évolution des produits sur le plan technique, en relation avec clients et prescripteurs.

Il pilote les actions marketing - analyse des marchés et de la concurrence - et définit avec la Direction Générale les axes de développement.

Il assure la vente des produits sur les marchés export.

Pour ce faire, le candidat doit être bien rodé à la négociation, dans des pays de cultures très diverses.

Le poste s'adresse à un candidat de haut niveau, de nationalité européenne ou américaine, parfaitement bilingue français/anglais.

Ingénieur de formation, il aura, à environ 32 ans, une expérience confirmée dans le domaine de l'industrie nucléaire, de la chaudronnerie ou de la construction de chaudières.

Basé à Boulogne (82) au siège du Groupe VALLOUREC, le candidat devra prévoir une grande disponibilité pour de nombreux déplacements à l'étranger.

Merci d'envoyer votre dossier de candidature (CV + lettre manuscrite) sous la référence 882 HT à :

Claudine GALLET  
Ressources Humaines  
3, rue Cornélius  
75006 PARIS

## Assurez le développement commercial d'une nouvelle structure dans le secteur aéronautique.

Leader sur son marché, notre jeune Société en forte expansion fabrique et commercialise une gamme de produits de services pour l'aéronautique.

Au sein d'une structure légère, vous prendrez en charge l'activité commerciale et assurerez la vente, la promotion et le suivi technique de nos produits auprès d'une clientèle de professionnels des compagnies aériennes.

De formation commerciale : BAC + 3, parfaitement bilingue anglais, vous possédez une expérience de 2 à 5 ans dans la vente de produits techniques, acquise de préférence en milieu industriel.

La connaissance de l'allemand serait un plus. C'est un "challenge" pour un bon négociateur, enthousiaste, curieux et entreprenant. Ce poste évolue, basé dans le Val de Marne, vous offre de réelles perspectives de carrière ainsi qu'une rémunération motivante.

Merci d'adresser votre candidature : CV, lettre manuscrite, photo, rémunération actuelle ou prétentions, sous la référence 88-28, à ER Ressources Humaines - 118, rue de Tocqueville 75017 Paris, qui traitera votre dossier en toute confidentialité.



Ressources Humaines



Van der Giessen - de Noord N.V.

P.O. Box 1, 2920 AA Krimpen aan den IJssel

## CONTRACT project MANAGER

van der Giessen-de Noord is based in the Rotterdam area and is a major builder of merchant and technical vessels. The Shipbuilding Division requires a highly qualified CONTRACT MANAGER for new and challenging projects to design and build a number of large technical vessels.

Candidates for this position must have solid educational and work experience qualifications in the hands-on aspects of contractual project management for large steel construction projects. A clear track record of success with the technical objectives and profitability requirements of industrial projects is essential. Candidates must be fluent in written and spoken english.

If you are an energetic and competent CONTRACT MANAGER ready to take direct project control and meet these requirements, please contact Ed de Waal at -31-1807-12144 today.

## International Fund for Agricultural Development, IFAD (United Nations) Rome (Italy) seeks candidates for the post of

### CONTROLLER Grade D1/2

Under the general supervision of the Vice President, the Controller serves as the senior financial officer responsible for the Fund's financial matters, including development of appropriate policy, design of accounting and financial systems and supervision of the financial control system. In this role, the Controller supervises two main functions: the budget and accounting for all Fund Activities, loan administration functions including all aspects of withdrawal under financing agreements for loans and grants and recovery of loan principal and interest/service charge payments. The Controller advises management of the expenditures needed to carry out the annual program of work for loans and grants and prepares budgets for IFAD's regular activities and any supplementary funding arrangements for consideration by the Fund's governing bodies. The Controller also serves as Secretary to the Audit Committee of the Executive Board. He/she proposes and supervises policies related to staff travel; he/she administers the staff compensation plan, and he/she carries on a range of other duties related to financial matters.

Candidates should have recognized professional accounting membership or MBA or Master of Commerce and at least 10 years experience of which 5 should be in management level. International experience desirable, preferably on international financial institution or in an organization of the UN system. Familiarity with computer systems. Full command of English; knowledge of Arabic, French, or Spanish, an advantage.

SALARY: Depending on experience and qualifications.

Initial contract: two years.

Send applications by January 10, 1990, in duplicate, to:

Personnel Division, IFAD, Via del Serafico, 107, 00142 ROME, Italy.

Only shortlisted candidates will receive an acknowledgment.



## Luxury Cruise Line requires MULTILINGUAL HOSTESSES

We are seeking personable, well-presented hostesses fluent in English, French, German, and possibly Spanish, both spoken and written. Typing skills useful. 6-month shipboard contracts commencing February and May 1990. Cruise ship experience preferred. Please write with C.V. including recent full-length photo to:

Ocean Cruise Lines, Personnel/Ref. EB, 10 Frederick Close, Stanhope Place, London W2 2HD

OCEAN CRUISE LINES

## REPRESENTATIVE WANTED

U.S. Company, established since 1904, seeks representative or distributor for GOODYEAR ROOF COATINGS and other building maintenance products made in U.S.A. Commissions paid in dollars.

Write to:

CONSOLIDATED INTER CONTINENTAL CORP. 1801 East 9th Street, Cleveland, Ohio 44114 USA Telex: 980592 CONSO A. Fax: (216) 771-3620

## MARKETING MANAGER

A leading Saudi Interior Decorating & Furniture firm seeks a Marketing Manager. Applicants must possess ambitious & aggressive qualities to pursue his duties with utmost competitiveness.

All candidates must be fluent in Arabic, English & French and willing to relocate to Saudi Arabia. Salary & benefits are negotiable depending upon experience. Please forward your CV's to:

W. Gimtex

22 West 38th St., Suite 600 New York, NY 10018, U.S.A.

## LEADING INTERNATIONAL EXECUTIVE SEARCH FIRM seeks to appoint

### The MANAGING DIRECTOR of its new Paris office

The ideal candidate should have a proven record of success with a recognized executive search firm and be well connected with the French business community.

Please reply in strictest confidence to:

Box D-293, INTERNATIONAL HERALD TRIBUNE 181, Ave. Charles-de-Gaulle, 92521 Neuilly Cedex, France.

## CAREERS ABROAD

### (NO SALES)

Our international client offers professionals challenging opportunities in a number of foreign countries that require no selling from representatives in such positions. Entry-level salary and benefits are competitive with other major firms who have branches abroad and will be based on experience and qualifications. If currently residing abroad, applications are encouraged.

We are seeking men and women with college degrees and education/work experience in a wide variety of areas: advanced technologies, investment and international finance, research, marketing/public relations, business administration. Successful applicants must be U.S. citizens or have Permanent Resident Alien status. Excellent verbal and written communications abilities are essential. Fluency in a foreign language and experience living and/or working abroad are desirable.

Your resume should include education, overseas experience, employment history, address and telephone numbers. You will be contacted by telephone to arrange a personal interview if your resume is of interest. No resume will be returned. We are retained by our client, therefore no fees are required. Successful applicants will be provided full details of employment.

Reply in strictest confidence to: Watson & Boone Associates, WB-16, J.A.F., P.O. Box 3238, New York, NY 10116-3238.

**Watson & Boone Associates**

An equal opportunity employer

## EXECUTIVE POSITIONS AVAILABLE

INTERNATIONAL AMERICAN Law Firm seeks Office Manager, English mother tongue, preferably fluent French and English required. Minimum two years experience with comparable staff involving personnel management, administration and legal bookkeeping. Please write with C.V. and photo to: Box 1223, Neuilly Cedex, France.

The AMERICAN UNIVERSITY of Paris seeks an Administrative Assistant for its Division of Institutional Advancement. This is an ideal position for a qualified, experienced bilingual Secretary who is able to work well under stress and would like to diversify his/her experience. Work hours regular. Call Mrs. Fischer on 45 55 91 72 (evening) only.

## EXECUTIVES AVAILABLE

U.S. CITIZEN residing in Belgium with managerial experience & professional background in law & telecommunications, seeks challenging opportunity with aggressive multi-national company with expansion plans for E.C. 1992. Please reply to: AHS PO Box 15, Breda, The Netherlands. Tel: (011) 888 488.

## EXECUTIVES AVAILABLE

CORPORATE ADMINISTRATOR Professional American lady in Canada, common market work permit, fluent English/German, MBA, fine to travel/ relocate, seeking employment as Corporate Administrator in an international communications or financial organization. Specializing in Corporate & Legal Administration including PC implementation & training, international finance and marketing. References available. REF: P. O. Box 1728, Simon 70, 27 St. Clair Ave. East, Toronto, Ontario M4T 2M4.

Opportunity in Hungary Australian business executive, Hungarian born, with valuable contacts in Hungary wishes to represent your company in Budapest. For further information, call San Francisco, California USA 415-485-8455, Mr. Inne.

TOURISM. AFTER successful promotion, early on the European market, of a new destination and its leading hotel also acting as PR and commercial manager, multilingual travel consultant is looking for a new challenging position worldwide. From February 90. Contact: Willem (Bosch) Th. 25307 Fax: 2-183141

## Magazine International

recherche

### Jeune Journaliste Rewriter

de langue maternelle américaine, capable de rédiger en français.

Adresser C.V., photo, lettre manuscrite sous référence 5026 à :

HCA

1, place du Palais Royal 75001 PARIS



# Herald Tribune

Published With The New York Times and The Washington Post

## Next in Eastern Europe

In the past few days an odd, even unrealistic atmosphere of happy endings has descended on Eastern Europe. It is as if one of those contrived, all-parts-fit outcomes of a lesser Shakespearean comedy had been put into effect by the ubiquitous Godlike Duke. Old adversaries suddenly shake hands and settle down to work together. Justice is triumphant. People very recently unfairly in prison for political offenses are now in high office, and some of the people recently (and also unfairly) in high office are — it serves them right — headed in the other direction.

It's a theatrical moment, the stage full of characters all finding at last their proper and just destiny, including the villains whose lavish tastes and private greeds, so long unpunished, are finally exposed.

Except, of course, that it's not the end of the story but the beginning. Now the democratic forces arising throughout those countries are going to be put to the harsh test of governing.

The collapse of the Communist parties' power proceeds with astounding speed. Why so fast? Why is the revolution so contagious? When these parties began to realize that the Soviet Union was no longer prepared to use its army to keep them in office, they were left with a painful choice. They knew they were deeply unpopular. If they attempted to use their own troops to continue repressing their people, they would risk a violent reaction. Most of them

evidently were not sure that their troops would remain loyal to the government without Soviet tanks to stiffen them. Only in Romania has the party put its trust fully in its own security forces. Elsewhere Communist leaders decided not to take that chance.

Certainly they understood that if they tried to suppress the crowds with gunfire and lost control, they personally would be unlikely to survive the settling of accounts that followed. The Communist parties' rapid concessions to the demonstrators have been motivated less by goodwill than by fear.

Things will continue to move rapidly, for much of Eastern Europe is now under interim hybrid governments. In Czechoslovakia the president has resigned, to be replaced by a non-Communist. The prime minister is a Communist, but most of his cabinet are not. In East Germany the Communist party has just chosen a new leader, its third in two months, this time a lawyer who used to represent the dissidents. In Hungary the former Communist party remains in power but has prudently changed its name. In all three countries, as well as in Bulgaria, elections are promised no later than spring.

There is no guarantee of happy endings. It will require great skill and restraint to keep this process peaceful. The revolutionaries have accomplished great things, but the next six months, through the elections, will be even more demanding.

— THE WASHINGTON POST.

## Ahead Slowly in Germany

"Wir sind ein Volk," proclaim the Christian Democratic posters suddenly evident in Bonn. "We are one people." That sentiment is so powerful that few West German politicians can resist it. But one people is not the same as one economy or one state. Once the rush of sentiment subsides, it will take time to work out the economic and political differences between the two Germanys. And the architects of a new international structure that can accommodate one Germany will need at least as much time.

Gaining the needed time may not be easy, especially if East Germans are impatient. But there may be no more important task for statesmen on both sides of the Berlin Wall. That is why it is so welcome that Chancellor Helmut Kohl has slowed his rush to proclaim confederation, and that Secretary of State James Baker has now spelled out America's reasons for Germany to proceed gradually.

How much time is there to manage the unification process? It is likely that economic differences will set the pace. West Germany's high standard of living draws East Germans west, but many still want the security of their socialist safety net. With open borders, Bonn expects a large influx of East Germans eager for the better things in life, unless it does something now to encourage them to stay home. It intends to provide more subsidies.

They will be wasted, however, unless economic differences can be bridged. East Germans will have to decide what kind of economy they want. Opposition groups are eager to try democratic socialism, a mixture of Western-style markets and Eastern-style

social welfare. Others will urge unification as the only way to the economic ladder.

Instead of facing up to these economic imperatives, Mr. Kohl chilled East and West with a 10-point reunification plan. He included no timetable but seemed eager. He spoke of confederation, an idea that would take time to work out the economic and political differences between the two Germanys. And the architects of a new international structure that can accommodate one Germany will need at least as much time.

What did Mr. Kohl have in mind? Domestic politics, it now appears. In a hurry to catch the tide of German sentiment, he consulted with no one outside West Germany, or even outside his party. That is why there is worldwide relief over his clarification backtracking on confederation. "I am consciously not talking about confederation," he now says. "Such a step raises questions we cannot answer today because of the fact that the two states in Germany belong to different alliances."

Mr. Baker pointedly reminded Bonn that the Four Powers have authority in Berlin, and over unification. Even so, even if every government, East and West, concurred, the most important variable in reunification may still be the East Germans. At the moment they are angry, and small wonder. They have just learned about the excesses of the kleptocracy that ruled from elaborate villas. Their thirst for vengeance could breed violence.

The very volatility of their passions makes even clearer the need for everyone involved, inside Germany and outside, to work for gradual, orderly unification.

— THE NEW YORK TIMES.

## Torture in Turkey

Over the years, Turkey has offered two replies to charges that its police routinely engage in torture: that the charges are exaggerated, and that in any case things are getting better. The sad inadequacy of those answers is documented anew in a devastating report by the human rights committee of the New York City Bar Association. The report says that inhuman practices are widespread and that Turkey's existing remedies are "almost a complete failure."

These charges, compiled by lawyers who heard extensive firsthand testimony, deserve a serious response from Turkish authorities. Turkey has applied for membership in the European Community, respect for human rights is a fundamental condition for joining. And Turkey recently became a party to the new United Nations convention on torture, a further reason for international scrutiny.

The worst abuses spring from a harsh Turkish law permitting incommunicado detention for 15 days. A common practice, the report finds, is to coerce confessions in the first three days with the help of torture. Days later, detainees are ostensibly exam-

ined by prison doctors working for the state who invariably find no signs of mistreatment. Many victims are Turkish Kurds, a dissident minority living in remote provinces. But any Turk held on any charge is liable to be beaten, hosed or subjected to electric shocks — as attested by six detainees quoted at length in the report.

Under restored civilian rule, Turkey has improved prison conditions and some torturers have been punished. But the practice of prolonged, secret detention violates the torture convention that Turkey has now ratified. It also flouts legal norms in the European Community that Ankara wishes to join. Turkey's parliament is now weighing measures that would shorten incommunicado detention. It would be far better to end the practice entirely, as the report urges.

Turkey is not the world's only torturer, a point worth stressing during Human Rights Week, the anniversary of a noble but frequently ignored United Nations declaration. But Turkey's good name has been stained all too long by all too credible accusations against its rough and ruthless police.

— THE NEW YORK TIMES.

## Other Comment

### Scowcroft's Visit Can Help

Southeast Asia is facing up to changes initiated by the superpowers. Along with Japan, China is a country whose attitudes and capabilities affect every country in the region. This does not mean that the extra-Asian powers — the United States and the Soviet Union — are not going to count. Far from it. What matters crucially is that the four powers find it possible to agree broadly on the contours of the new Asia, for it is only on the strength of this understanding that stability and progress can ultimately be maintained. Brent Scowcroft's China tour, and his gracious welcome by the Chinese leader, Deng Xiaoping, are a significant investment in that larger vision.

— Business Times (Singapore).

### A Pan-European Awareness

Oversimplification should be avoided when assessing the EC summit in Strasbourg. But it can be said that the Twelve reaffirmed the key role they must play in the future of Europe. Through proposals on trade and the establishment of a European bank for development aid to Eastern Europe, they showed that they can think in pan-European terms. President Mitterrand said the days of "two Europes" in the shadow of the superpowers are gone. It would certainly be rash to consider the acceptance of East European countries into the EC a possibility for the near future, but Strasbourg was clearly a major step in the growing self-awareness of the European Community.

— Neue Zürcher Zeitung (Zurich).

## INTERNATIONAL HERALD TRIBUNE

JOHN HAY WHITNEY, Chairman 1988-1992

KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER  
Co-Chairmen

LEE W. HUBNER, Publisher

JOHN VINOCUR, Executive Editor • WALTER WELLS, News Editor • SAMUEL ARI, KATHERINE KNORR  
and CHARLES MITCHELLMORE, Deputy Editors • CARL GEWIRTZ, Associate Editor •

ROBERT J. DONAHUE, Editor of the Editorial Page

RENÉ BONDY, Deputy Publisher • RICHARD H. MORGAN, Associate Publisher •  
FRANÇOIS DESMAISON, Associate Director • JUANITA I. CASPARI, Advertising Sales Director •  
ROBERT FARRÉ, Circulation Director, Europe • ROBERT HOWELL, Director, Information Systems

International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France.  
Tel: (1) 46.37.93.00. Telex: Advertising, 613595; Circulation, 612852; Editorial, 612718; Production, 630698.

Director of the publication: Richard D. Simmons  
Editor for Asia: Michael Richardson, 5 Conventry Rd., Singapore 0511. Tel: 472-7768. Telex: RS56928.  
Hong Kong: 472-7768. Tel: 472-7768. Telex: RS56928.  
Managing Dir. U.K.: Robin MacKinnon, 63 Long Acre, London WC2E 9LT. Tel: 436-4802. Telex: 262009.  
Gen. Mgr. W. Germany: W. Lautbach, Friedrichstr. 15, 1000 Frankfurt M. Tel: (069) 276755. Telex: 416721.  
Pres. U.S.: Michael Cowry, 850 Third Ave., New York, N.Y. 10022. Tel: (212) 753-3880. Telex: 427175.  
S.A. au capital de 1.200.000 F. RCS Nanterre B 150021126. Commission Paritaire No. 61337.  
© 1989, International Herald Tribune. All rights reserved. ISSN: 0294-8852.

OUR LEADER SAYS IT'S TIME FOR  
ALL RUSSIANS TO GET UP AND GOING  
ON THE LONG, HARD ROAD BACK TO  
REALITY, WHERE INDUSTRY AND  
ENTERPRISE ARE REWARDED WITH  
PROSPERITY AND FLENTY, WHERE  
THOSE WHO DARE KNOW THE DEEP  
SATISFACTION OF THE CHALLENGE  
JOINED AND WON, WHERE  
ONE'S GOALS ARE REALIZED  
BY THE PERSISTENCE OF  
ONE'S LABOR, WHERE  
THE INDIVIDUAL...

NAGSKI  
NAGSKI  
NAGSKI

CHART

© 1989 LAMARCA, INC. AND LAFAYETTE



## Germany: Away Across Uncharted Terrain

By Jim Hoagland

PARIS — A clever jockey astride a powerful horse: that is the image policymakers in Paris use for the French-West German alliance. For 30 years the image has signified French diplomatic and political skills complementing West German economic power. Paris and Bonn form the core of a united Europe in a partnership that guarantees no more war across the Rhine.

Today the French jockey appears to be hanging on for his life as the German stallion bursts off the track and gallops toward the irresistible field of

French guile, Soviet threats and Anglo-American legalism are turning out to be Maginot lines.

German reunification. In a few short weeks West Germany has moved the terms of the debate on reunification from whether to how and when. With heavy heart, Paris now means it when saying that reunification is probably inevitable.

There is a last-ditch hope in France and elsewhere in Western Europe that the Soviet Union can frighten Bonn and East Berlin out of the notion by threatening World War III as a response to German reunification. I exaggerate slightly, and the hope is never expressed so baldly. But it runs through much of the current discussion about four-power responsibility and "stability" in Europe.

Mikhail Gorbachev went along last week, treating West German Foreign Minister Hans-Dietrich Genscher to the most incendiary Soviet oration since Andrei Gromyko threatened to turn Italy into a Pompeii theme park for accepting U.S. medium-range nuclear rockets. Gorbachev's speech was a direct challenge to the German position.

Asked if Bonn would be displeased with the meeting, a senior French official replied: "That is the point of holding it." Mr. Kohl needed to be

reminded that his allies and Moscow can place legal and diplomatic constraints on the German position.

But the same official acknowledged that France could never support a four-power peace conference. Paris "could not publicly accept the conference destroying our links with Bonn forever."

The other possible result of such a conference, giving Germany the right to unite, is equally unacceptable, since it would accelerate the process.

Caught in this catch-22, Mr. Kohl's European Community partners are waging skillful but limited psychological warfare against the chancellor. "Kohl also has to be reminded that there is still strong public opinion in Europe about Germany's behavior in World War II, and that a few words from Mitterrand or the others could stir it up instantly," the French official said. "It is a weapon that would harm everyone if used. But it exists."

That balance captures the essential French-German bargain at the core of the European Community. France benefited economically from the union with West Germany. The French-led community provided Germany with a political legitimacy and forgiveness for World War II that Japan has never achieved with its Asian neighbors.

The French-German alliance was conceived to prevent what is happening now by firmly "anchoring" West Germany on the Rhine instead of the Elbe. But the anchor is pulling loose as West Germany's economic power and determination to put World War II behind it once and for all carry it toward reunification.

French guile, Soviet threats and Anglo-American legalism are turning out to be Maginot lines against reunification. The only thing that can prevent reunification would be major errors by the Germans themselves that would trigger chaos in the heart of Europe. It is now the horse's race to win or lose.

The Washington Post.

## India: Much as Before, if Perhaps More Graciously

By Sunanda K. Datta-Ray

CALCUTTA — When the new prime minister of India, Vishwanath Pratap Singh, says he will apply economic controls "in a more elegant way" than his predecessor, Rajiv Gandhi, it reveals much about his policies and programs. The new government will not necessarily be very different, but it will certainly be far less abrasive.

Mr. Singh set the tone immediately after assuming office when he flew to Amritsar, the holy city of 10 million Sikhs in Punjab, to pray at the Golden Temple, which the Indian army stormed while Indira Gandhi was prime minister. Mr. Singh begged forgiveness in flowery speeches that acknowledged wrongs that Sikhs claim to have suffered under the rule of the Congress (I) Party led by Mr. Gandhi and his mother, who was murdered by Sikh assassins.

But Mr. Singh is unlikely to be any more accommodating than Mr. Gandhi on Sikh demands that the central government in Delhi confine itself to defense, foreign affairs and communications, leaving everything else to an autonomous Punjab. Nor can he afford to take a more indulgent view of Sikh terrorism.

In a gracious concession to the

country's other aggrieved minority,

Mr. Singh appointed a Muslim as home minister for the first time in India's history. But this may not mean that Muslims will have their way in a bitter dispute over a 16th century mosque that Hindus say was built on the site where Ram, their legendary god-king, was born.

The trouble is that Mr. Singh's Janata Dal and its partners in the five-party National Front won only 144 of the 525 parliamentary seats in the recent general elections. Mr. Gandhi's Congress (I), though it lost office, emerged as the single largest party with 193 seats. So the government's survival depends on support of 90 members of the Hindu revivalist Bharatiya Janata Party and 51 members of the Marxist-led Left Front.

Pulled in opposite directions by his allies, the new prime minister may have to follow a centrist path. This probably would suit him. He was, after all, a lifelong member of Congress (I) who fell out with Mr. Gandhi over corruption in defense deals. The distinctiveness of Mr. Singh's government will therefore lie in style rather than substance. This explains

the flamboyant gestures he has made to win friends and influence people.

Mr. Singh has announced that one of his first priorities will be to improve ties with India's smaller neighbors, especially Nepal and Sri Lanka, which were alienated by Mr. Gandhi's high-handed behavior. Mr. Singh has asked his ministers to make public declarations of their financial assets, promised to appoint an ombudsman and said that the Official Secrets Act will be amended to guarantee the right to information.

"Plus ça change, plus c'est le même chose" (the more things change, the more they are the same). Consider the new regime's about-face on allegations that the Gandhi government took multimillion-dollar bribes from the Swedish defense company Bofors. Mr. Singh thundered during the election campaign that he would unmask the bribe-takers within 30 days of taking office. Now he pleads that it would be wrong to "victimize" anyone.

His deputy prime minister, Devi Lal, a blunt peasant leader, has more or less admitted that the kickbacks scandal will be given a quiet burial. "The commotion over Bofors is made

by you in the newspapers," Mr. Lal told reporters. "It is not in the hearts of the common man. Yes, it is an issue — a very big issue — but it relates to only a few people."

Cynics suggest that since India will continue to fly arms abroad, National Front politicians are not too anxious to spoil the terrain for themselves.

One man who did not expect this continuity is George Fernandes, a fiery trade union leader from Bombay who was responsible, as industries minister in the 1977-1979 Janata Party government, for forcing two major U.S. corporations, Coca-Cola and IBM, out of India because they would not dilute equity or share trade secrets with Indians.

Confident that the same radical posture would again be adopted, Mr. Fernandes shot off letters in January to Coca-Cola and Pepsi-Cola. He warned the two companies that "when Janata Dal takes over the government... it will terminate all foreign collaboration in the non-priority sectors, including Coca-Cola and Pepsi-Cola." At his urging, the principle was written into Janata Dal's policy document.

But this time around, Mr. Fernandes has been assigned the Railways Ministry. The prime minister plays down the controversy as "a storm in a teacup" and pays tribute to the dynamism of "the entrepreneur class" that has emerged as a result of Mr. Gandhi's economic deregulation, a program that Mr. Singh has indicated will continue.

The industries minister, Ajit Singh, also takes pains to assure investors that there is no question of throwing multinationals out of India.

The writer is editor of the Indian newspaper The Statesman. He contributed this comment to the International Herald Tribune.

## 100, 75 AND 50 YEARS AGO

### 1889: A Cuban Republic

NEW YORK — The following joint resolution has been introduced in the Senate: "That the president be requested to open negotiations with the Government of Spain for the purpose of inducing that Government to consent to the establishment in the island of Cuba of a free and independent Republic, such consent to be given upon the payment by Cuba to the Government of Spain of such a sum of money as may be equivalent both to the value of the public property belonging to Spain in the said island and to the relinquishment of her sovereign rights."

### 1914: British Victory

LONDON — The importance of the brilliant British naval victory off the Falkland Islands is recognized as capital here, and is in no way minimized in Berlin. A dispatch says that the Dresden was sunk eight hours after the Nürnberg. It is stated that

## A Betrayal Of Chinese Democrats

By A. M. Rosenthal

NEW YORK — These have been days of joy and light for all who now march in the streets for freedom and all who live in its grace.

For those who fought tyranny in China but were ground down by the Communist regime, this has been a time of hope that the era of liberation would bring their own freedom closer.

But overnight and in stealth the Bush administration betrayed that hope and those who hold it. Without advance notice to Americans or their representatives in Congress, the administration sent two top officials to placate, dicker with and thus strengthen the thin, wicked top layer of Communist officials who massacred their own people just six months ago. This was a clandestinely made reversal of a publicly announced policy of world importance — that the United States would end high-level relations with the Chinese government to show its support for the people of China.

Examine the timing. Deputy Secretary of State Lawrence Eagleburger and Brent Scowcroft, head of the National Security Council, were sent to Beijing when Congress, opposed to the appointment of the Chinese Communists, was between sessions, not to meet again until Jan. 23.

The journey was not announced until the middle of the American night on a weekday. That prevented advance discussion and during the first critical days allowed the administration to dominate the media "reaction."

The explanation by George Bush after the fact that he did not want to "isolate" the Chinese people was not respectful of American intelligence. It was not the people who were isolated but their despotic government.

Beijing, naturally enough, was triumphant about the American turnaround. The Communist regime's goal was to show the people that it was strong, and even stronger, to make the mighty United States know, go back on its word and make a political pilgrimage to Beijing.

Why did the administration break its promise that there would be no high-level dealings unless Beijing cleared to freedom fighters everywhere, in Eastern Europe and the Soviet Union as well as in China, that America's word was not to be relied on — not for more than six months anyway?

Perhaps the Beijing regime will throw a bone or two to the United States. Mr. Bush says that Beijing will hold up delivery of missiles sold in the Middle East. That will allow eager U.S. commercial satellite lenders to shovel more dollars into China, which can still use the money to make more missiles to sell elsewhere.

But will bones from Beijing erase the world's memory of the deaths of the 47 American students who were killed in Beijing in 1989? The massacre was just an incident to let over and that the two countries had too much in common to allow unspecified "negative forces" in both countries to interfere. What forces? Chinese students? Members of Congress?

What strategic interests made this journey in the dark necessary now? The revolution sweeping Eastern Europe and heading into the Soviet Union has eliminated Communist China as a lever to be used against Moscow — if it ever existed outside the imaginations of geopoliticians.

What made it necessary to kiss Deng Xiaoping's bloodied hand when the Dalai Lama was receiving one of the world's highest honors? What a hideous irony — the United States went up to the jailers of imprisoned, brutalized Tibet, the day the Dalai Lama received the Nobel Peace Prize for his struggles against them.

No great mystery, Mr. Bush is deeply affected by his personal and political ties with China, where he was envoy under Richard Nixon. Like others in that administration, he was part of the "opening" of China; it was a high point in their lives. These men, in or out of office, now are not flexible enough, or do not care enough, to see that it is time for a clean, new policy serving Chinese freedom, not the dying Chinese despots with whom they once did business.

If there were a massacre in Prague or Leipzig or Kiev, would U.S. envoys be sent six months later on a journey in the dark to embrace the killers? If not, are the lives of Chinese fighters less dear?

The Bush administration has shown its answer to that question. Now there is only the hope that Congress will rebel against appeasement of Beijing and try to save American honor, at least part of it.

The New York Times.

the German fleet was caught between the British and a Japanese squadron.

### 1939: Fairbanks Dies

SANTA MONICA — Douglas Fairbanks, the silent screen film hero, died here suddenly last night (Dec. 11) of a heart attack. His wife, the former Lady Ashley, was prostrate with shock, and Hollywood was stunned at the loss of one of its most active personalities. Fairbanks, in Chicago, Mary Pickford, his former wife, declined herself in a hotel suite and refused to receive visitors or phone calls. Born in Denver, May 23, 1884, the future swashbuckler of "Robin Hood" rapidly moved through various stages as a stock salesman, hardware dealer, law student, and Broadway hero, and then to fame as the film star with the dazzling smile and acrobatic agility. D. W. Griffith brought Fairbanks to Hollywood in 1914. He went on to make such films as "The Mark of Zorro," and "The Thief of Baghdad." He was fifty-five.



## The East Germans Deserve Some Creative Instability

By George F. Will

WASHINGTON — Regarding Germany, Western leaders, who seem to believe that history can be tampered with by communiques, are dotting "I's" and crossing "t's" and missing the point. The European Community recently revised its formulation to say that the German people should recover unity through "free expression of the popular will" rather than "through free self-determination." The difference, whatever it means, may be related to Secretary of State James Baker's belief that German reunification is not just for Germans to decide. That departure from the principle of self-determination was stated as the four conquering powers — the United States, Britain, France and Hitler's ally at the start of the war, the Soviet Union — announced their "common understanding of the importance of stability." At a moment when Western values are at last causing creative instability, only the Soviet Union has a stake in "stability."

President Bush, who is a Peloponnesian, is a German shepherd barking imperiously at the German people, a majority of whom have compiled a 40-year record of democracy and the rest of whom would like to participate, right now. Unification, says Mr. Bush, must be gradual. Oh! Soviet-imposed tyranny has stolen 40 years from the lives of East Germans. That is enough.

Günther Andreotti, prime minister of Italy, says, "It would be a mistake to settle the German problem too quickly, it means turning Europe upside down." But Europe has been turned upside down by progress toward Western goals. Myopic, plodding politicians persist in talking about the German "problem" when what is at hand is a solution to the problem of the unmanageable, indefensible division of an organic entity, Germany. The Basic Law of the Federal Republic declares the state provisional, pending (if the EC politicians will pardon the expression) "self-determination" of all Germans.

Beneath all the measured diplomatic boilerplate about the inconvenience of a united Germany's economic power, and what reunification might do to the "stability" — that golden calf, again — of the Tinker Toy project of European federalism, there is a plain prejudice, against Germans. In the kangaroo court of some

world opinion, Germany can only be guilty, at any time, because when it is peaceful and democratic, the calm is considered an ominous prelude to a storm. Germany is considered dangerously volatile. "Protean Germany," as mutability as the sea, Luigi Barzini as recently as 1983. But what Germany's critics are really saying is the reverse, that German history has an implacable continuity. That is no longer true, if it ever was.

For 40 years Germany has subverted patriotism in heroic materialism, reducing national purpose to an ever-rising standard of living. This low but steady absorption was applauded by many non-Germans who wish for Germany what they deprecate in their own societies. They wish Germans to be so distracted and enervated by consumption that they shall have no other energies or longings.

West Germany's postwar history has indeed been a transforming discontinuity. Geoffrey Wheatcroft argues in *The Daily Telegraph* in London, rightly, that few young Germans — "democratic, pacific, suburban" — would lift a finger, let alone a weapon, to recover the territories lost in the east when, at the end of the war, Poland, in Churchill's phrase, took a step sideways. "Bismarck," Mr. Wheatcroft writes, "said that the Balkans were not worth the healthy bones of a Pomeranian grenadier. Today Pomerania does not look worth the healthy weekend of a prosperous Düsseldorf car worker."

Fifty years ago, "Why die for Danzig?" was the last gasp of appeasers of Germany. Today, most Germans do not care a particle for Danzig (as Danzig now is), home of Lech Walesa.

If the point of the game is a Germany wedded to the West, the West should show a less crabbed spirit regarding reunification, which is in any case inevitable. Enough of the worship of stability and of "gradual" progress toward justice long denied.

We now see why Mr. Bush's laughable problem with "the vision thing" is not funny. Communism is buckling beneath the weight of aspirations that America, by its mere existence, arouses. And America's president! Remember when presidents were supposed to lead the West in championing change? Today's president is courting the tyrants in Beijing (because of whom, most of the people who were suffering under communism at the beginning of 1989 are suffering even more at the end of 1989) and nervously longing for "stability" in Central Europe.

Remember the argument about where Mr. Bush is from: Maine, Connecticut, Texas? He is from Washington. He is a career government man, and it is with governments, not ideals or the people they stir, that he identifies.

Washington Post Writers Group.



## LETTERS TO THE EDITOR

### Brandt: Germans 'Must Find a New Relationship'

The headline of your Dec. 8 article on my visit to Rostock, "Brandt Says He's Against Unification," contradicts what I actually said and what the Reuters correspondent quoted correctly: "I cannot imagine reunification. It cannot again become as it was... We must find a new relationship." Since the breaching of the Berlin wall on Nov. 9, we have experienced the long-frustrated unity of the German people. That is most important. How far and in which form (confederal or federal) state unity can be achieved depends on the momentum of the democratization process in East Germany and further steps towards European unification. Therefore, at present, neither the persistence of two German states nor German unification should be a dogma.

WILLY BRANDT, Bonn.

The writer, president of the Socialist International, was West German chancellor from 1969 to 1974.

### Parties in Zimbabwe

Regarding the report "Njoma Suggests Namibia Might Go for One-Party Rule" (Nov. 16) by William Claiborne:

The article refers to Zimbabwe as "a one-party state." This is not correct. Zimbabwe today has six active political parties, three of which enjoy parliamentary representation.

Although there has been a unity agreement between the governing ZANU-PF, led by President Robert Mugabe, and PF-ZAPU, led by Joshua Nkomo, this does not mean the country has a one-party system. Indeed, earlier this year a new party was formed.

The writer also said that Zimbabwe's "independence elections" were held in 1979. They were held in February 1980.

E. O. MAMUTSE, Embassy of Zimbabwe, Paris.

Mr. Claiborne replies: Indeed, the independence election was in 1980.

Seven years later, Mr. Mugabe shut all offices of the opposition ZAPU party and imposed a ban on all party meetings — foreboding a formal changeover to one-party rule, which Mr. Mugabe reportedly said in public statements he intended. As a result of this pressure, Mr. Nkomo's party merged with that of Mr. Mugabe.

A bill now before the House of Assembly would remove Lancaster House safeguards which have made it virtually impossible to amend constitutional guarantees of the right to form political parties. This effectively clears the way for a one-party state. But Mr. Mamutse is technically correct that Zimbabwe, as of now, has a multiparty system.

### By Edwin M. Yoder Jr.

## Mencken: The Uplifters Are Upset

WASHINGTON — Every sector of the thought police has been heard from, loud and clear, on the "secret" bigotry of H. L. Mencken. But we are none the wiser, since the key question isn't being addressed. That question isn't what the recently published Mencken diaries tell us (nothing at all new) about America's greatest 20th century newspaperman, but what the reaction tells us about ourselves.

Mr. Mencken's rhetoric, most of it funny and much of it sophomoric, has been for half a century an intoxicant for budding iconoclasts, especially those aspiring to the trade of journalism. And the addictive element lies in his comic condensations and slights, social, ethnic, national, racial and religious. He was a bigot, but a charmingly impartial one, a papier-mâché misanthrope.

It is an irony he would have relished that the uplifters, as he would have called them, threaten to read him out of the pale of civilization because, in private hours, he allowed his darker epithets an occasional run in the yard. The extensive explanation seems to me to lie, however, not in the notion that Mr. Mencken merely suffered from the prejudices of his time and place. The idea

that latent bigotry receded from our minds at some date in the recent enlightened past is nearly as amusing as the poet Philip Larkin's famous quip that sexual intercourse began in 1963.

The diaries show that Mr. Mencken spoke privately of "kikes" and of the childishness of blacks, just such condensations as our thought police are eager

### MEANWHILE

to expunge not only from our language (an issue of civility and manners) but from our natures (a thornier matter). Like Dr. Bowdler, who set out to purge the Bible, Shakespeare and other great texts of the language of sexuality and excretion, we who cackle at Dr. Bowdler now aspire to purge the ugly blight of racial, religious and ethnic epithets — our own special horror. It is an ugly blight, but will the fact or thoughts disappear if the words do? Dr. Bowdler apparently thought so. He was wrong. The thought police probably are wrong as well.

The great Swiss psychologist Carl Gustav Jung helped us understand why

this darkness is persistent in human nature — everyone's, not just H. L. Mencken's. And he also furnished us with a metaphor for understanding and domesticating it. All of us, Jung said (with a mountain of clinical evidence to back up the assertion), have a "shadow" self which is less attractive and benign, and often more aggressive, than we like to think our "real" selves are.

Like the little shadow in the nursery poem by Robert Louis Stevenson, this shadow self goes in and out with us, even on sunny days. Unlike Stevenson's, it has its constructive uses if we come to terms with it. It tells us a lot about what we fear and loathe, not so much in others as in ourselves. By Jung's formulation, maturity lies not in pretending that impulses and thoughts are invariably good, but in maintaining a friendly touch with the darker self and grasping what it tells us of the residue of our slights and hurts. Civility lies in the conversion of its dark energy into the benign coin of compassion, rather than (the clear alternative) the base coin of rage, resentment and revenge.

The thought police who gallop off with a whoop of hypocritical horror after Mr. Mencken miss the point. Have they no shadow selves? Or do they pretend that, so long as it is hidden or suppressed, the shadow does not matter? This pretense underlies most of the brittle, superficial, sanctimonious political and social moralities of our time, which take such stomp satisfaction in nice thoughts and high purposes but are frequently so squishy soft at the core on the mature moralities of act and consequence.

You may, of course, deny this division of our nature as too schematic. There are, of course, saints of thought as well as deed. But saints are rare birds indeed. Let him who never loathed the human race — and some of its particular parts — while stuck in a traffic jam throw the first stones at the Sage of Baltimore.

Meanwhile, for a real moral education, watch the reaction to the diaries. It tells us far more of our disorders than the diaries do of Mr. Mencken.

Washington Post Writers Group.

IN AN ARTICLE, H. L. Mencken once wrote: "There are managing editors in the United States, and scores of them, who have never heard of Kant or Johannes Müller and never read the Constitution of the United States; ... there are reporters by the thousands who could not pass the entrance examination for Harvard or Tuskegee, or even Yale. It is this vast and militant ignorance, this widespread and fathomless prejudice against intelligence, that makes American journalism so patetically feeble and vulgar, and so generally disreputable."

It might help to put his notorious remarks about Jews and blacks in perspective if we keep in mind that the man who wrote the above paragraph loved newspapering and journalism.

— Theo Lippman Jr., commenting in *The Baltimore Sun*.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

## GENERAL NEWS

### De Klerk Talks With Mandela

By William Claiborne

Washington Post Service

JOHANNESBURG — President

Frederik W. de Klerk of South Africa met Wednesday with the imprisoned leader of the African National Congress, Nelson Mandela, to discuss ways to overcome obstacles to negotiations for power sharing between blacks and whites, the government said.

The meeting, in Mr. de Klerk's Cape Town office, was held at the request of Mr. Mandela, who was sentenced to life imprisonment in 1964 for sabotage and attempting to overthrow the government by force, said Justice Minister H. J. Coetsee, who attended the meeting.

Mr. Coetsee said that further talks in the New Year were envisioned, which appeared to dampen speculation that Mr. Mandela might be released before Christmas as a gesture of goodwill by the government.

Since his meeting in July with Mr. de Klerk's predecessor, Pieter W. Botha, Mr. Mandela has frequently held talks with South African ministers in the spacious bungalow in which he is confined on

the grounds of Victor Verster Prison, 35 miles (about 60 kilometers) east of Cape Town.

Those talks led to the release in October of seven nationalist leaders, including Walter Sisulu, a close confidant of Mr. Mandela's.

The meeting Wednesday, however, was the first Mr. de Klerk has had with the 71-year-old black nationalist.

Neither Mr. Coetsee nor officials of Mr. de Klerk's office would disclose details of the meeting.

But sources close to Mr. Mandela said he was certain to have discussed the nationalist condition's for negotiations, which include the release of all political prisoners, the lifting of the nationwide state of emergency, the legalization of all banned political groups and the removal of troops from black townships.

Following a meeting with Mr. Mandela Tuesday, Abdullah Omar, a Cape Town attorney and anti-apartheid activist, said Mr. Mandela emphatically denied that his continued imprisonment was a result of his own decision.

Mr. Omar said that Mr. Mandela

did not know why he was not released along with Mr. Sisulu and the other leaders.

"He insists that he has the right to be released but is not prepared to beg for his release," Mr. Omar said.

Some political analysts have said that as long as Mr. Mandela remains confined, he can freely meet with and even negotiate informally with senior cabinet officials behind the scenes — something he would unlikely be able to do once he was released unless formal negotiations were begun.

Government officials have said that when Mr. Mandela is freed, he will have to be released directly into some sort of negotiating process, which the nationalists insist cannot be started while the state of emergency is still in effect and while the congress remains formally outlawed organization.

Cabinet sources have said that releasing Mr. Mandela before the start of a dialogue over how to end South Africa's racial conflict and draft a new power-sharing constitution could generate uncertainty among whites and lead to a revival of a "revolutionary atmosphere" among the black majority.

### French Vow No Comoros Intervention

Reuters

PARIS — President François Mitterrand on Wednesday ruled out French military action to remove European mercenaries from Comoros, an Indian Ocean archipelago and former colony of France.

"The president has excluded any idea of military intervention," the minister of overseas departments and territories, Louis Le Pen, said after a cabinet meeting.

But he added that Mr. Mitterrand had made it clear that France would protect its citizens in Comoros, where up to 30 mercenaries led by Boh Denard, a French national, have been in control since the assassination of President Ahmed Abdallah Abdoumane on Nov. 26. France and South Africa are still negotiating with Mr. Denard in Morocco, the capital, about terms for the mercenaries' departure.

France has assembled a naval task force in the area. Four ships sailed from the French island of Mayotte before dawn on Wednesday with 100 troops on board.

## VIEWPOINT

### The Commerzbank report on German business and finance

## The West German economy in 1990: high growth — increased tensions

As in most of the other industrial countries, the present upswing in West Germany began in 1983 but growth has only become self-sustaining in the course of this year.

Calling it "self-sustaining" implies three things: it needs no external stimuli, neither from economic policy nor from exports, as private-sector demand is strong, in particular for capital goods. Second, such an upswing is largely able to withstand disruptions produced by economic policy, the financial markets or external developments. Third, the economy tends to overheat and thus the upswing contains the seeds of the downturn.

On the face of it, West Germany's current export boom might seem to cast doubt on the self-sustaining nature of the upswing. Yet this is not really the case.

The extraordinarily strong foreign demand reflects the solid expansion of world trade, the high level of capital spending worldwide, which keeps German order books full, and the relative weakness of the D-mark, which has depreciated by a real 7% since the end of 1987.

### Changing pattern

Next year, these factors should have less of an impact on exports. World trade will lose momentum and business investment in particular will be less buoyant internationally. In addition, the D-mark should firm against the dollar and the EMS currencies.

West German economic policy will not steer a uniform course in 1990. Whereas monetary policy has gradually become tighter since mid-1988, and must be regarded as moderately restrictive since the latest rise in key interest rates in early October, fiscal policy will be expansionary. Private house-

goods may well squeeze capital spending. All in all, though, nothing suggests that the healthy business investment climate, including outlays on new construction, will suddenly deteriorate. Company profits will climb again from their already very high level by around 10% and the pros-

Key economic data	1988	1989	1990
Private consumption	2.7	2.0	3.5
Government consumption	2.2	0.5	4.5
Gross fixed investment	5.9	9.0	5.0
Machinery & equipment	7.5	11.5	7.5
Construction	4.7	6.5	4.0
Domestic demand	3.7	3.0	3.0
Exports	3.8	11.5	6.0
Imports	6.3	8.0	5.5
Gross national product	3.6	4.5	3.5
Consumer prices	+1.3	+3.0	+3.0
Gainfully employed, in millions	22.9	23.2	23.5
Current-account surplus, in DM bn	85.3	105	110

1) At 1989 prices; 2) change on year in %; rounded to the next half or full percentage point; 1989 and 1990 Commerzbank estimates.

holds will benefit most from the 1990 tax cuts of about DM25 billion in net terms, and this should spur private consumption next year. Residential construction will be given a boost by the Federal Government's promotion measures.

Yet the positive effect of fiscal stimuli, which above all change the composition of aggregate demand, will hardly be sufficient to offset the negative effects of monetary policy, which mainly determines the overall level of demand. Accordingly, stronger demand for consumer

goods for further sales and earnings growth should remain quite good.

The risks faced by the West German economy in 1990 are chiefly external. If the U.S. and Britain are in for a more marked slowdown than expected, the resulting drop in demand for German

exports would not be a major blow. But any turbulence in the financial markets and shifts in economic policy could lead to problems. And it is by no means certain that international investors will show the same willingness to finance the U.S. current-account deficit as they have this year. For one thing, the deficit will not be reduced by much; for another, the interest edge of U.S. paper has shrunk considerably, and is not always sufficient to offset the greater risks involved.

One possible threat in West Germany will be the tough wage negotiations in key industries. Yet average pay increases should not be much higher than in recent years. Disturbances could also arise from a conceivable further tightening of the monetary reins to prevent the economy from overheating. And temporary uncertainty may occur in the run-up to the national elections in late 1990. The large inflow of East Germans and other ethnic Germans will help to ease bottlenecks in the job market. On the whole, their integration should be fairly smooth thanks to the economy's strong performance.

Despite the risks and greater cyclical strains, we consider it most probable that 1990 will prove to be another year of high growth in West Germany with solid increases in employment and, considering the stage of the cycle now reached, moderate inflation.

## COMMERZBANK

German knowhow in global finance

VIEWPOINT is presented as a regular service to the international business and financial community by the Economics Department of Commerzbank, P.O. Box 100505, D-6000 Frankfurt/Main 1.

International presence: Amsterdam, Antwerp, Atlanta, Bangkok, Barcelona, Beijing, Bombay, Brussels, Buenos Aires, Cairo, Caracas, Chicago, Copenhagen, Geneva, Hong Kong, Istanbul, Jakarta, Johannesburg, London, Los Angeles, Luxembourg, Madrid, Manila (Bahrain), Mexico City, Milan, Moscow, New York, Osaka, Paris, Rio de Janeiro, Rotterdam, São Paulo, Seoul, Singapore, Sydney, Tehran, Tokyo, Toronto, Zurich. To be opened soon

## EUROPEAN TOPICS

### Amsterdam to Give Morphine to Addicts

The Amsterdam City Council is planning to offer heroin addicts free morphine injections in an effort to reduce the spread of AIDS and drug-related crime.

About 200 of the city's estimated 7,000 heroin addicts are expected to take part in the program, scheduled to begin next year, according to a spokesman for the city's drug division. They will be given doses of morphine each day to inject at home.

The spokesman said an experimental morphine program was started six years ago with about 40 long-term drug addicts. It had shown that, once the addicts began using morphine, they led calmer lives, their health improved, and they stopped committing crimes to finance their habit.

About 3,500 of Amsterdam's drug users are already enrolled in free methadone programs but many addicts do not like the substitute because it does not give them the high of heroin. Unlike

methadone, which is taken orally, morphine is injected and gives the user a high.

The spokesman said that to discourage foreigners from coming to the Netherlands for free drugs, the 2,000 foreign drug addicts living in Amsterdam are not entitled to take part in drug substitute programs.

### British War Widows Get Pension Increase

Bowing to pressure from the public and from lawmakers of all parties, Britain will increase the pensions of 53,000 widows of servicemen killed in action before 1973. These women, most of whom lost their husbands during World War II, will receive an extra £40 (£62) a week in their pensions starting in April.

Two weeks ago the government had ruled out any concessions. But Defense Secretary Tom King told Parliament on Monday that "the government recognizes the very special place that these widows hold in the affections of this country, and the particular debt that we all owe them."

Wives of servicemen killed after 1973 get a second pension on top of their war widows pensions. At present, the widows of servicemen killed before March

1973 get about £57 a week, while the widows of servicemen killed since then receive more than £124 a week.

### Around Europe

Tube, the cable television network that supplies commercials interspersed with news, sports and cultural programs on Paris Métro platforms, will go off the air Dec. 31. The RATP, Paris's transport authority, said the network, which was installed almost three years ago to make the subway "more human," was steadily losing money. The Tube's 750 video screens will be removed from about 100 Métro platforms.

An Italian Roman Catholic priest hoping to instill some biblical knowledge in boys interested mainly in soccer and skateboards has invented the Totovento, or Advent Pool. Don Aldo Milani, parish priest of the northern village Lavagna Pont Tresa, has distributed 600 entry forms listing such questions as: "Did Abel kill Cain a) with a stick, b) with a stone, or c) did he not kill him at all?" (Answer: He did not kill him at all. Cain killed Abel.) Prizes include bicycles, skis and soccer balls.

Sytske Looijen

### U.S. Will Increase Food Shipments To Ethiopians

The Associated Press

WASHINGTON — The United States has promised more than 100,000 metric tons of food aid to Ethiopia because of a drought that threatens to be as severe as the one in 1984 in which an estimated one million people starved to death.

The acting director of the U.S. Agency for International Development, Mark L. Edelman, welcomed reports that Ethiopia's Marxist government would open a corridor to allow food aid to flow to people in the embattled northern provinces of Eritrea and Tigray.

He said that drought in the two provinces and the civil war, coupled with the government's agricultural policies, have placed five million people at risk of starvation. Mr. Edelman contended that the U.S. relief agency was acting promptly to help stave off disaster, unlike during the 1984 drought when foreign aid arrived late. About 53,800 metric tons of food are arriving from the United States this month, and the additional 111,400 tons approved Tuesday will put the value of U.S. food aid committed since Oct. 1 at \$70 million.







ADVERTISEMENT

ADVERTISEMENT

# REV. MOON BREAKS SILENCE, GIVES FIRST INTERVIEW IN 13 YEARS, TO SOVIET NEWSPAPER.

This interview appeared in the Russian Language "ZA RUBEZHOM" ("Abroad"), a weekly Moscow newspaper, with a circulation of over 1,000,000, serving leading intellectuals and policy leaders throughout the Soviet Union. The following is a translation of the complete text as it appeared in the newspaper.

## «Нужна "А Spiritual Revolution Is Needed" духовная революция»

Moscow, November 17-23, 1989



It is late at night. The lights of Seoul glitter in the black mirror of the Han River. It is quiet. The never-silent voice of the South Korean capital doesn't reach this garden-surrounded home on the high river bank. The Reverend Sun Myung Moon has given an interview for the first time in the last one and a half decades. What's more, he broke his silence for the sake of a discussion with Soviet journalists. If one recalls what were still not too long ago his anticommunist expressions, it becomes obvious that this gesture is symbolic. The tone of the interview is significant as well, in that it is markedly friendly.

The voice of Reverend Moon is heeded by thousands of followers of the Unification Church in many countries of the world, the church founded by him in 1954. His religious quests have helped these people in their search for the meaning of life in a world torn by the sharpest moral contradictions. Many of the ideas of Reverend Moon are far from the views which are widely disseminated in our society. At the same time, his profound interest in the human being, to whom he attributes the highest priority of spirituality, leads his ideas, in their own way, to have much in common with the concept of "new thinking."

**Q: Your daughter-in-law Hoon Sook (Julia) Moon is a ballerina, and she will soon appear on the stage of the Kirov Theatre in Leningrad. Does this testify to your personal interest in cultural collaboration between South Korea and the Soviet Union?**

A: I am very happy that Hoon Sook will dance on the stage of the Kirov Theatre. I know very well the high artistic traditions which have long characterized Russian ballet, and the Kirov and Bolshoi companies in particular. Hoon Sook has a tremendous talent, and she has worked very hard to develop her skills. She has long dreamt of performing in the Soviet Union, and this is her first opportunity. But this landmark in the artistic career of my daughter-in-law is also, at the same time, an important moment in the development of my personal contact with the Soviet Union.

I have long been interested in the arts. Several years ago I founded the Universal Ballet Company, which now has its own school in Washington, D.C. This project was the culmination of a series of other cultural undertakings which I have been developing over the past twenty years. About ten years ago I became involved with the New York City Symphony Orchestra, and I took part in the founding of the international choir, New Hope Singers, as well as several other musical groups, orchestras, and ensembles.

Over two decades ago, I had the idea to acquaint other parts of the world with the culture of Korea. At that time I created the Little Angels, the Korean children's dance ensemble, which has since performed in over 60 nations around the world, with over 300 television appearances. This troupe was made up of children because I felt that children, more than anyone else, represent peace. Before children, even the most cynical people throw down their usual masks and become capable of feeling the purity and love which all human beings seek.

I am always inspired by true talent and artistic genius. This might help you to understand my tremendous respect for the Kirov Ballet of Leningrad. This theatre is a living embodiment of Russian tradition. It has inherited the classical repertoire and has had the most profound influence on the art of ballet throughout the world.

In my opinion, the Kirov Ballet is especially fortunate to have Oleg Vinogradov as its artistic director. I have great respect for him and for his talent. I am even hoping that he will be able to direct our own program, which would allow us to master the traditions of the Kirov Theatre. This type of artistic exchange between the United States and the Soviet Union would realistically advance the objectives of glasnost and perestroika. The Soviet Union, the United States, and the whole world will benefit.

**Q: Overall, the level of tension between nations in the world is declining. We are witnessing countries, which only a few years ago saw each other as enemies, now beginning to work toward cooperation. The world**

**needs such cooperation to solve the burning issues of the day — environmental, social, and most importantly, the problem of world peace. How do you regard these changes?**

A: I wholeheartedly welcome the lessening of tension among the nations of the world. The goal of my life's efforts has been to foster an environment conducive to true and lasting peace on earth. And I am not alone in this endeavor. All people are seeking peace. So we might ask, "Why has peace not come?" It is easy to say "peace" but achieving it is tremendously arduous.

In my opinion, if we have not achieved peace, it is because people forget its most fundamental aspect. Before we talk about peace among nations, we must settle our peace with God. Man is created to develop himself during his physical existence as a God-like individual. Tragically, without having achieved this goal, it has been impossible to have peace with God and with other people.

With our selfishness, we block our own development and the development of other people and nations. The greatest barrier to peace in our world today is greed and selfishness in the human heart. Individual greed opens the way to national greed. This leads to divisiveness and conflict among people and nations. Tragically, this has caused so much bloodshed and needless human suffering. Millions have senselessly perished.

Certainly economic and social problems are important to resolve. However, to find a lasting solution to these problems, we must first address this issue of human greed and selfishness. Otherwise, even though we make changes in systems, the individuals who guide such systems will also be tempted to use them for their own personal ends.

What our world most needs today is, therefore, a spiritual revolution. Then we can successfully solve our economic and social problems. If each individual and each nation can recognize the value of a fraternal spirit of cooperation, they are then prepared to address, as you said, "the burning issues of the day," including the pursuit of world peace.

**Q: The Soviet Union is launching the concept of "new thinking" about international cooperation. In our opinion, the world is facing such critical issues that the nations of the world must set aside personal interests and develop cooperation. What do you think about this concept?**

A: First of all, I would like to congratulate President Gorbachev for his sincere and determined effort to launch glasnost and perestroika. President Gorbachev is a man of great courage and conviction.

I know very well that his great political reforms, based on "new thinking," have had enormous influence on international relations. Undoubtedly, the Soviet Union still has many economic difficulties. But I am rather optimistic regarding the future of the Soviet Union. As more people appreciate President Gorbachev's sincere desire to bring about real change, greater support for his efforts will come from every corner of the world.

Also I believe that the Soviet Union must make efforts in two other areas. One of these is religious freedom. I congratulate President Gorbachev because I know very well of the significant progress that has already been made in this area.

Secondly, I would encourage the efforts you are making in business and commerce to develop a

wider-based individual incentive system. When people are stimulated, they are inclined to work hard and produce more. This is the secret of the success of the free enterprise systems.

Once again, I would like to say that I really appreciate the courage and ideas of President Gorbachev. I am willing to support his program in any way that I can so that it can succeed. The Soviet Union must succeed in this effort. It is a mandate of history.

**Q: Reverend Moon, you are known not only as a spiritual leader, but also as a most successful businessman. What are the most important projects which you are working on in the world today?**



REV. SUN MYUNG MOON

In my opinion, the International Peace Highway will help to unite people into one human family. And surely modern technology almost obliges us to live as one family if we are to survive. Already work on the undersea tunnel which will connect the Korean peninsula with Japan has substantially moved forward. We have completed the planning stage and initial excavation has already started.

A couple of years ago, I conveyed this idea to officials of the Peoples' Republic of China. They expressed positive interest in the project and are conducting a feasibility study. Of course this project will eventually have to involve the Soviet Union because of its key geographical position in both Europe and Asia. I hope that I can establish contact with representatives of your government.

At the present time, I am also helping to create an automobile production city in Southern China in order to enhance the People's Republic of China's export opportunities. It is an exciting challenge to help to create an exportable car for mainland China, and it will happen in the not too distant future. The modernization of China will help to assure the well-being of over one billion people. This is crucial for future world peace.

There are three primary enemies of humankind — hunger, disease, and human ignorance. The nations of the world need to pool their strengths to conquer these enemies. These problems are particularly severe in Africa, and Central and South America.

This is why the future industrial development of the resources of the Pacific Ocean is so important. I have established businesses which perform every aspect of the fishing industry, from the design and construction of large fishing vessels, to the catching of fish, to the construction of fish farms. In the future the sea will provide nutrition and livelihood for many of the world's peoples. And its mastery is a reliable means to end world hunger.

**Q: I understand that you have declined to give any interviews since the early 1970's. And yet you are now giving an interview to, of all people, a journalist from the USSR! Some people in my country think of you as an enemy of the Soviet Union. What is your true relationship to my Motherland and its people?**

A: Yes, I am granting this interview only because

the Russian people are dear to me and the development of the Soviet Union in its current period occupies a special place in my heart. I believe that the outcome of the Soviet Union's current program of restructuring will determine the future course of history.

But now about myself. I will be frank and honest with you when I say that I am not at all an enemy of the USSR. Furthermore, I am not anyone's enemy. Take, for example, my experience in America. I could hate America because I was very much mistreated there and was even forced to serve a prison term on dubious charges. And yet I tell you frankly that I am not an enemy of the American people or of the American government.

For me, the word "hatred" is a foreign word. As a religious leader, I believe that it is my duty to love all my fellow men. When I look at a person, I always ask myself, "What is it that God loves in this person?" Remarkably, God always shows me something that moves me in every human being that I encounter.

I cannot conceal from you that for forty years I have been opposed to Marxism. It is not because I hate Karl Marx. Karl Marx was right to decry human suffering and exploitation, but at the same time, Marxism asserts that there is no God, whereas my vivid spiritual experience has shown me that God exists, and that there is nothing more important than finding and knowing His heart.

The Russian people are dear to me because they have always been a great people in history, called to be a bridge between European and Asian culture.

I also want the people of the Soviet Union to know that I wish President Gorbachev's success in his historical undertakings. I predict that through his efforts in favor of true democratization and true religious freedom, the Soviet Union will be able not only to keep up with the West but to overtake it.

Nations such as the United States and many other countries in the Western world have often abused freedom. Their traditional value systems are being eroded. America, for example, is beset with tremendous problems — drug addiction, racial violence, and moral corruption in the political leadership, just to name a few. President Bush literally declared war on drugs because millions of young Americans have been victimized. This is probably the greatest war the United States has ever waged.

All of these problems stem from the fact that there is something seriously lacking in American life. If you will, it really boils down to a spiritual problem. In my opinion, both East and West must undergo tremendous spiritual changes.

I want to assure the people of the Soviet Union that Reverend Moon is your friend. My movement in 130 countries is your friend as well. Our globe today is like a boat sailing on a stormy ocean. If the boat weathers the storm, we will all be saved, and clearly we must save ourselves.

To do that, we must learn to live together in brotherhood as part of one common family. Then we will not only survive but prosper. My sincere desire is that God bless your country, and bless the future of your great people. I sincerely hope that one day soon I will have the chance to visit your beautiful homeland.

... Probably each reader of this interview would agree with one thing, and disagree with another. But it appears that the words of Reverend Moon eloquently attest to the fact that the conception of "new thinking" opens up before us new horizons of cooperation for mankind. This is becoming possible both as a result of the change in our society and as a result of the perceptions of our country in circles which not too long ago were extremely far from us. We will hope that these possibilities will be successfully realized.

V. IORDANSKI SEUL — MOSCOW

WORLD MEDIA ASSOCIATION  
National Press Building  
Suite 750  
Washington, DC 20045  
(202) 662-1299  
Larry Moffitt, Executive Director







## INTERNATIONAL MANAGER

A New Supply Problem:  
Executives in East EuropeBy Sherry Buchanan  
International Herald Tribune

LONDON — The tremendous increase in joint ventures in the Soviet Union, Poland and Hungary is putting a strain on international companies to find the right managers for these new businesses. There simply are not many Soviet executives, for instance, who can run a capitalist business, and finding managers from abroad who are fluent in Russian is expensive and getting tougher because of the sudden increase in demand.

Since the new liberal laws were passed in Poland in December 1988, there are now 657 joint ventures, 402 of which have started since July. In the Soviet Union, there are more than 1,000 joint ventures, while in Hungary there are 700 and 250 more waiting registration.

"In certain parts of the Soviet economy there are competent managers, in others there is a great dearth of them. One of the reasons Soviets are reluctant to get into joint ventures is to get technical and managerial training," said Adrian Flatt, group director responsible for Sedgwick Overseas Cos. in London. The British insurance company has close links with Eastern European countries and is looking to expand its presence there.

"The real problem is not that they don't have skilled and smart people, it's that they have people who don't understand your rules and logic," said Romano Prodi, former chairman of Istituto Ricicliamento Industriale and now professor of industrial organization at the University of Bologna. Mr. Prodi recently set up Mirbis, a management training school in Moscow. "There is a tremendous learning capacity among the young because they have a very good school system, but they have no idea how our economic system works. One mistake to avoid is to prepare only an elite of people. You must diffuse knowledge down to the lowest level."

Some multinationals, which are finding it difficult to get good middle managers, are sending Soviet managers back to company headquarters for training. That's what Fiat SpA, which has just signed a \$1.3 billion joint venture to produce cars in the Soviet Union, intends to do. When it started making Ladas in 1970, for instance, it trained 3,500 Soviet technicians and sales managers at its headquarters in Turin, and it expects to do the same this time.

FOR MANAGERS from abroad, problems include difficult work and living conditions. Some factories, for instance, are not heated, the telephones do not always work, it can take a year to find an apartment, the local currencies are not convertible, and there is no pricing structure.

Some companies, such as PepsiCo Inc., solve the problem with executives commuting from Vienna or Stockholm.

"We mainly have people from Austria traveling in," said Richard Norton, vice president of PepsiCo for Eastern Europe, in Vienna. "But it's expensive, and our long-term intention is to recruit Soviet nationals and train them in the West. It is getting easier to recruit Soviet managers because you no longer have to go through a central office." For its new Pizza Hut joint venture, Pepsi has managed to recruit two from the Soviet Union, a general manager and a financial director.

Attracting Western managers becomes even more difficult when the job is not in Moscow. When Boyden Geneva, the international search firm, was asked by an American company to look for a top executive to head its joint venture near the Black Sea, the company found 12 suitable candidates but none of them would go because their spouses refused. The manager who finally did take the job commutes from the Black Sea to Moscow, where his family lives.

"Compensation is so high that it is difficult for companies to fit the person back in the corporate hierarchy once they are finished with their assignment in the Soviet Union," said Lakshmi Ramachandran of Boyden. "Some of these top executives are earning more than their bosses in both Europe and the United States."

## \$1 Billion A Strategy Blueprint for IBM

Polish  
Loan SetBailout Approved  
At Brussels TalksBy Edward Cody  
and John M. Goshko  
Washington Post Service

BRUSSELS — The world's 24 wealthiest democracies approved a \$1 billion bailout loan to Poland on Wednesday and pledged to broaden their Poland-Hungary aid program to additional Eastern European countries that undertake political and economic reforms.

The decision provided clear political and economic backing for the liberalization under way in Poland and Hungary, and strong encouragement for East Germany, Bulgaria, Czechoslovakia and Yugoslavia to continue their openings toward similar reforms.

By promising to extend the aid program to other countries, the foreign ministers of the 24 countries demonstrated again how the swift political evolution of Eastern Europe has raced beyond Western efforts to come to grips with it.

The same European Community governments that joined Wednesday in further aid as democratic reforms move forward had declared as late as a Nov. 18 summit conference that only Poland and Hungary could be helped until reforms were in place elsewhere.

The specific pledges announced on Wednesday were to muster the \$1 billion stabilization loan that was promised to Poland on condition it reach agreement with the International Monetary Fund for an economic reform package to deal with its foreign debt.

A Polish government adviser said Wednesday that Warsaw and the IMF had agreed on a tough package of reforms for the Polish economy and would sign a \$725 million credit agreement on Friday, Reuters reported from London.

[Stanislaw Gonnika, who took part in the negotiations with the IMF in Warsaw, said the agreement would initially drive inflation as high as 60 percent a month as the government abolished subsidies and freed prices. But he cited a forecast by the Solidarity-led government that a combination of wage restraint and tight budget and monetary policy, to be introduced on Jan. 1, could bring inflation down to less than 5 percent by April.]

The pledges for Poland included outright grants of \$200 million from the United States, \$100 million from Britain and \$25 million from Canada, a \$250 million line of credit from West Germany, and loans of \$150 million from Japan, \$100 million from France and \$100 million from Italy.

The United States also has promised Poland a \$200 million "bridge loan" to give it funds with which to work until it can begin drawing on funds from the IMF. A senior U.S. official, who asked not to be identified, said the United States believes that outright grants not requiring repayment are the type of aid Poland needs most urgently.

The EC Commission, which was made coordinator of the aid program, has proposed a \$1 billion dollar loan package for Hungary as well, but that was not acted on Wednesday.

By John Markoff  
New York Times Service

NEW YORK — By nearly all accounts, International Business Machines Corp. is in trouble. Drastic measures are in order if it is to keep its dominance in computers.

Some would even argue that the time has finally arrived for IBM to drop its stubborn preoccupation with the mainframe, perhaps even spin off its minicomputers.

Its ailing condition has become an obsession on Wall Street. IBM's earnings have been sliding for several years now, falling to \$5.8 billion last year, from \$6.58 billion in 1984.

The stock, once the darling of Wall Street and long a symbol of stability, has never recovered from the stock market collapse of 1987. Just before the collapse, it was trading at a high of nearly \$176 a share; on Wednesday, it closed at \$95.75, down \$1.25.

The company's efforts to reverse its fortunes have been greeted enthusiastically.

IBM's chairman, John F. Akers, told a group of analysts on Dec. 5 that the company planned to induce 10,000 workers to leave their jobs, would take a \$2.3 billion special charge to improve its finances and would spend up to \$4 billion to buy back its stock.

Many financial analysts called for more draconian measures: staff cuts of 30,000, or even 50,000 employees and other severe cost-reduction moves.

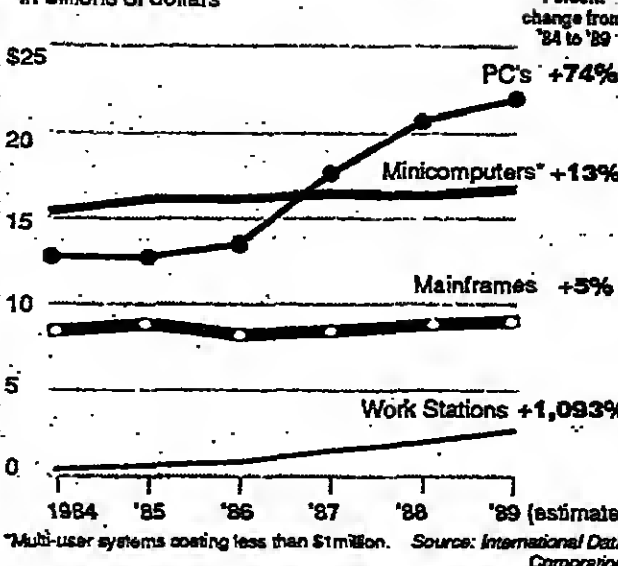
And technology experts have come to their own disturbing conclusions. At a time of increasing global competition that is driven by technological developments, IBM has risked its long-term position, preoccupied with meeting Wall Street's short-term demands for quarterly results.

The technology experts believe IBM can preserve its standing as the supreme U.S. high-tech company and challenge the Japanese only by concentrating on innovation.

At the heart of IBM's dilemma is its seeming inability to relentlessly pursue the most promising new technologies and make a clean break with technologies of the

## The Changing U.S. Computer Market

Hardware sales in the U.S. by U.S. vendors, in billions of dollars



\*Multi-user systems costing less than \$1 million. Source: International Data Corporation

1960s and 1970s, such as mainframe computers, which are still the core of its business.

It is this pursuit of new technology that has permitted companies scarcely more than a decade old, such as Apple Computer Inc. and Compaq Computer Corp., to become multibillion-dollar enterprises, sometimes capitalizing on developments to which IBM had first access.

What should IBM do? Technology-oriented IBM watchers prescribe strong action, but not Wall Street's brand of cost cutting. Here is a blueprint they suggest.

First, IBM should drop its "household name" strategy for gradually shrinking its work force in the United States. IBM chose this path rather than a layoff strategy in an effort to preserve morale. But recently departing executives say the strategy has backfired.

Some of the company's best and brightest employees have accepted the inducements to leave. And many workers who remain are paralyzed by fear that voluntary ac-

Retail Sales Rise  
Masks Weakness  
In U.S. GrowthBy Lawrence Malkin  
International Herald Tribune

NEW YORK — Despite conflicting statistics released Wednesday, underlying signs point to a slowdown in the U.S. economy that analysts said raises the question of when, not whether, the Federal Reserve Board will ease credit.

Many observers said the Fed would move very cautiously and pay little attention to the falling dollar.

Retail sales figures for November published Wednesday are a case in point. They rose 0.8 percent, much higher than predicted, but most of the steam came from a 2.4 percent increase in clothing sold at heavy pre-Christmas discounts.

More important, the figures were revised downward for the previous two months — from an increase of 0.7 percent to a rise of 0.3 percent in September, and from a drop of 1.0 to one of 1.3 percent in October, which was heavily influenced by a fall in auto sales.

Sales of U.S.-built vehicles in the first 10 days of December plunged 23.7 percent from a year earlier as the industry posted its slowest selling rate in more than two years, automakers reported Wednesday. Sales of cars fell 27.9 percent, and light trucks, 16.6 percent.

Focusing on figures over several months gives a clearer picture. The third-quarter deficit in the U.S. current account, also published Wednesday, shrank by about \$10 billion, to \$22.69 billion, the lowest in five years. The current account, a broad measure of economic activity, measures financial transactions as well as trade with other nations.

Exports of all goods and services were up by more than 5 percent, but imports by less than 1 percent, a clear sign of economic slowdown. A \$72 billion surplus in services was expected to be temporary.

Four more important U.S. economic statistics are to be published on Friday. The trade figures for October are expected to show a slightly larger deficit because of the strike at Boeing Co., which has since been settled. November producer prices are forecast to rise only slightly because of falling energy prices.

Industrial production and capacity utilization for November are expected to be almost flat. Allen Sinai, chief economist of Boston Co. Economic Advisors, said the production figures for the previous two months may be revised downward.

All these figures will influence the Federal Open Market Committee when it meets next Monday and Tuesday to decide whether to ease interest rates.

Michael Rosenberg, manager of fixed-income research for Merrill Lynch, said that with a weak U.S. economy, a lower dollar is not inflationary and stimulates exports. Hence he does not believe the Fed watches the dollar "one iota."

Jerry Jasinski, president-elect of the National Association of Manufacturers, said Wednesday that the U.S. economy could tumble into recession unless the Fed eases its grip on credit soon.

"The Fed has the capacity to turn a slowdown into a recession if it keeps monetary policy tight for the next quarter or so," he said.

But even if the central bank is ready to ease again, December is a difficult month in which to do it.

James Capra, senior vice president of Shearson Lehman Hutton and a former Fed economist, said year-end financial flows might conceal the Fed's strategy of gentle persuasion. That would leave only a cut in the discount rate as a long enough alternative to catch the market's attention. No one expects the Fed to sound that strong a note.

## CURRENCY RATES

Cross Rates										Dec. 13
American dollar	1.00	3.12	1.28	0.8296	8.12	2.48	1.93	2.58	2.52	
British pound	36.35	35.35	2.14	6.154	28.94			23.195	8.88	
French franc	1.78	2.77		0.572	5.825	0.898	4.571	1.182	1.19	
German mark	1.975		1.780	9.49	3.785	5.15	1.284	2.291	1.74	
Italian lira	24.24	24.62	2.07	11.25	7.33	5.899	1.65	1.44	1.44	
New York City		1.792	1.725	5.91	1.098	1.915	1.94	1.94	14.15	
Paris	5.805	5.825	2.49	1.57	3.682	3.165	3.767	4.05	4.05	
Portugal	20.48	20.48	21.25	24.24	24.24	24.24	24.24	24.24	24.24	
Spain	1.562	1.513	0.953	0.263	0.277	0.938	4.374		1.88	
Switzerland	1.783	1.729	2.829	4.948	1.176	1.27	4.276	1.84	1.84	
U.S. dollar	1.357	0.879	2.234	3.781	1.673	2.504	4.418	2.841	18.728	

Closes in London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									
\* Includes London and Zurich. Figures in other centers. New York closing rates.									

Forward Rates	Dec. 13
30-day	1.00
60-day	1.00
90-day	1.00
180-day	1.00
360-day	1.00

## INTEREST RATES

Eurocurrency Deposits	Dec. 13
1 month	7 1/8%
3 months	7 1/4%
6 months	7 1/4%
1 year	7 1/4%

Key Money Rates	Dec. 13
Discount rate	7.00%
Federal funds	7.00%
Overnight	7.00%
1-month Treasury bill	7.00%
3-month Treasury bill	7.00%
6-month Treasury bill	7.00%
1-year Treasury bill	7.00%

Asian Dollar Deposits	Dec. 13
1 month	8 1/4%
3 months	8 1/4%
6 months	8 1/4%
1 year	8 1/4%

U.S. Money Market Funds	Dec. 13
1 month	7 1/8%
3 months	7 1/4%
6 months	7 1/4%
1 year	7 1/4%

GOLD	Dec. 13
1 ounce	375.00
10 ounces	3750.00
100 ounces	37500.00

Source: Reuters, Salomon Brothers, Bank of Tokyo, Commercial Union, Credit Lyonnais.

## Ho Empire Adds to Macao Stakes Ahead of 1999

By Daniela Deane  
International Herald Tribune

HONG KONG — Stanley Ho, who has made millions in Macao, continues to bank on the Portuguese enclave's potential, even as Macao is scheduled to revert to Chinese sovereignty in 1999.

The fact that Macao has two extra years on Hong Kong, which Beijing will take over in 1997, further fuels the tycoon's plans. Mr. Ho started his build-up in Macao by taking over a run-down nightclub in 1963 and converting it into a casino, then building a hotel.

Now, through Sociedade de Turismo e Diversões de Macao, Mr. Ho holds the enclave's sole gambling franchise, running six casinos, often packed until closing time with Hong Kong Chinese gamblers.

"The casino franchise is a license to print money," said John McLeahy, research director at the Peregrine brokerage. "Gambling is where all his money comes from."

Mr. Ho sealed his future in Macao in 1964 with his ferry service to the enclave from Hong Kong. Now hundreds of people travel to Macao from Hong Kong on his advanced fleet of jetfoils and high-speed ferries, run by

his Shun Tak Enterprises Corp., listed in Hong Kong.

Through an agreement with the Macao government, Sociedade de Turismo releases no profit or revenue figures. An analyst who watches the Ho empire estimated, however, that the company takes in profit of about 1 billion Hong Kong dollars (\$128 million) a year. Mr. Ho is the largest single shareholder, but his holding is not public information.

"Even his closest lieutenants have lost count of what Stanley Ho is worth," said the analyst, who asked not to be identified. "But both STD and Shun Tak are having record years this year."

Macao can only be reached from Hong Kong or southern China. About 122 million passengers will travel to Macao from Hong Kong this year, up about 2.5 percent from 119.9 million last year, Shun Tak figures show.

In July and August, we got a lot of people coming for brief holidays who last year might have gone to China," said David Hill, general manager of Shun Tak. "But the increase is not only due to what happened in China, in June."

In Macao, he said, "the infrastructure is

improving there, the hotels are better, businessmen are coming to invest."

Shun Tak posted after-tax profit of 121 million Hong Kong dollars for the first six months of 1989. Profit for all of 1988 was 205 million dollars.

Sociedade de Turismo owns 100 percent of three of Macao's hotels and has a 50 percent share in the Mandarin Oriental and a majority stake in the Hyatt.

"Stanley Ho is Macao Inc.," an analyst said. "Macao is just beginning to take off after sleeping for so many years," Mr. Ho said in an interview. "There's plenty more money to be made."

The 68-year-old tycoon spoke in his 39th-floor office in the Shun Tak Center, an impressive twin-tower complex on the harbor front that includes the 540-room Victoria Hotel, a large shopping mall and the jetfoil and ferry terminal. His spacious office overlooked Hong Kong Harbor and was adorned with intricate jade carvings and statues.

Unlike most of Hong Kong's moneyed elite, who move around the city relatively unafraid of personal attack, Mr. Ho has a coterie of bodyguards that follows him ev-

erywhere. One of Mr. Ho's personal assistants, who was at the time in charge of international marketing for Sociedade de Turismo, was chopped to death with a meat cleaver in Hong Kong a few years ago. The crime has never been solved.

"His personal security is awesome," one analyst said. "But there's lots of pretty rough characters in the gambling world."

Mr. Ho's newest Macao venture is Sociedade de Turismo's approximately 30 percent share in the new 4 billion Hong Kong dollar international airport, being built on reclaimed land and scheduled to be opened in 1993. With the airport stake comes a corresponding share in the new airline, Air Macao. Other investors in the airport and the 500 million dollar, 10-craft airline are the Macao government and an unidentified Chinese group.

Analysts said the Chinese group would almost certainly turn out to be the state-owned China International Trust & Investment Corp. CITIC already owns a 12.5 percent share of Hong Kong's flag carrier, Cathay Pacific. It also recently announced that it was negotiating to buy shares in Hong

See MACAO, Page 15

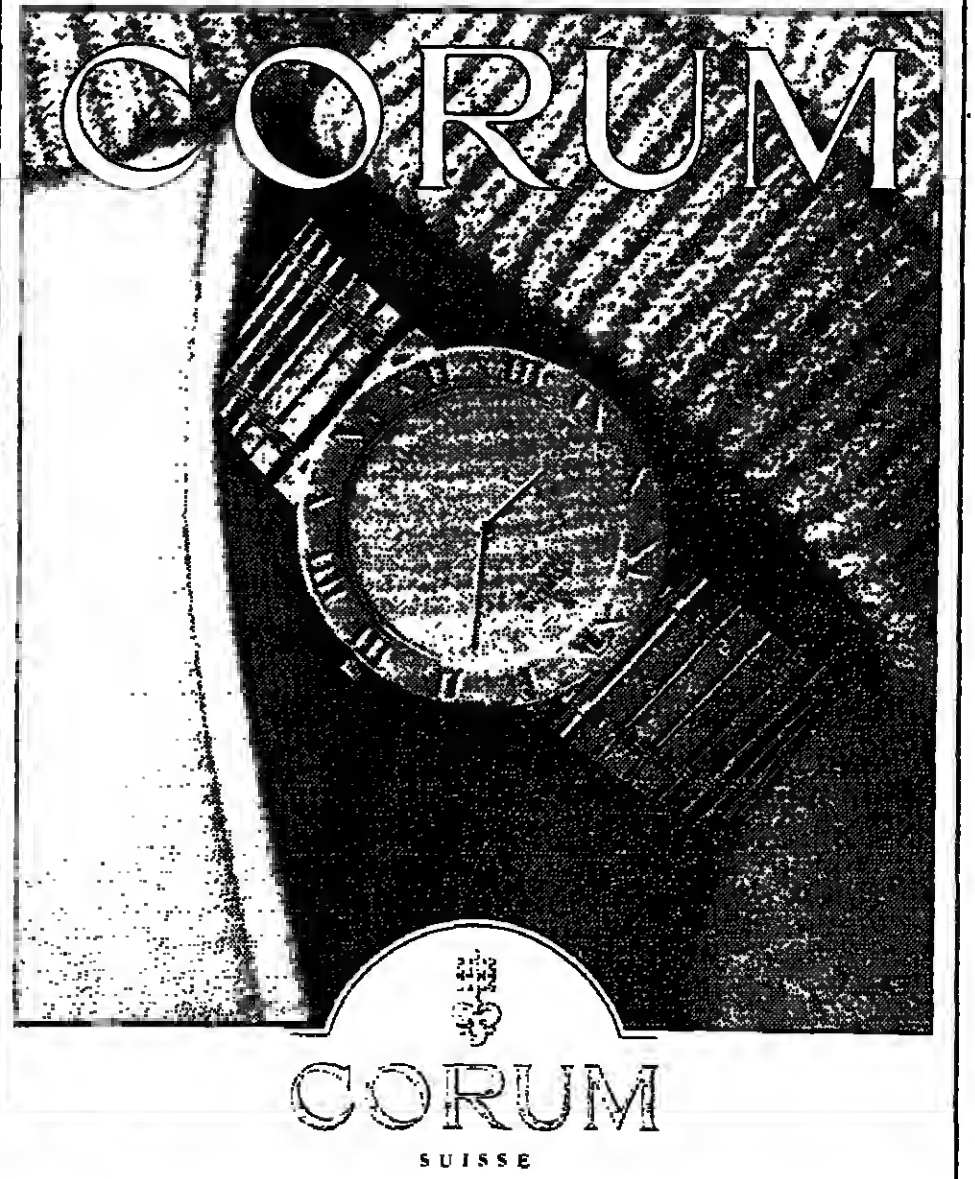
## YOUR PRIVATE FLEET

Falcon 10, 20, 50 & 900  
Learjet 35, 36 & 55  
DC-9-14 - PA-31 T CheyenneP.O. Box 310  
CH-1215 Geneva/Airport  
Tel.: 022 / (7) 98 45 10  
Fax: 289 166 (415 731)  
GENEVE - ZURICH - MILANO - KINSHASA - SINGAPOREYOUR DIRECT ACCESS  
ALG AEROLEASING SA GENEVECONSOLIDATED  
SEMI-ANNUAL REPORT

Statement of Income	(for the period April 1, 1989 to September 30, 1989) in Millions of Yen
Net sales	2,004,887
Cost of sales	1,315,748
Income before taxes and minority interests	131,389
Income taxes	72,964
Net income	62,855
Net income per share	19.50 (in Yen)

Balance Sheet	(September 30, 1989) in Millions of Yen
Assets	
Cash and cash equivalents	541,059
Notes and accounts receivable, trade	895,367
Inventories	948,317
Other current assets	419,735
Property, plant and equipment	884,617
Other assets	778,347
Total assets	4,547,442

Liabilities and Shareholders' Equity	
Bank loans and current portion of long-term debt	902,410
Notes and accounts payable, trade	749,231
Other current liabilities	1,036,787
Long-term liabilities	751,522
Minority interests	125,069
Shareholders' equity	982,423
Total liabilities and shareholders' equity	4,547,442

In Touch with Tomorrow  
TOSHIBA

Individually made with a degree of skill and care that belongs to a former time, Corum watches carry design into the future. The Romulus epitomizes this with its ultra-slim solid gold case and "Roman hours" which are hand-engraved on the rim.

FOR A BROCHURE WRITE TO CORUM, 2001 LA CHAUX-DE-FONDS, SWITZERLAND.











# NASDAQ

## Wednesday's Prices

NASDAQ prices as of 4 p.m. New York time. The list compiled by the AP consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

Symbol	Price	Symbol	Price	Symbol	Price	Symbol	Price
AA	10.00	AT	10.00	BA	10.00	BB	10.00
BC	10.00	BD	10.00	BE	10.00	BF	10.00
BG	10.00	BH	10.00	BI	10.00	BJ	10.00
BK	10.00	BL	10.00	BM	10.00	BN	10.00
BO	10.00	BP	10.00	BQ	10.00	BR	10.00
BS	10.00	BT	10.00	BU	10.00	BV	10.00
BW	10.00	BX	10.00	BY	10.00	BZ	10.00
CA	10.00	CB	10.00	CC	10.00	CD	10.00
CE	10.00	CF	10.00	CG	10.00	CH	10.00
CI	10.00	CJ	10.00	CK	10.00	CL	10.00
CM	10.00	CN	10.00	CO	10.00	CP	10.00
CQ	10.00	CR	10.00	CS	10.00	CT	10.00
CU	10.00	CV	10.00	CA	10.00	CB	10.00
CC	10.00	CD	10.00	CE	10.00	CF	10.00
CG	10.00	CH	10.00	CI	10.00	CJ	10.00
CK	10.00	CL	10.00	CM	10.00	CN	10.00
CO	10.00	CP	10.00	CQ	10.00	CR	10.00
CS	10.00	CT	10.00	CU	10.00	CV	10.00
CA	10.00	CB	10.00	CC	10.00	CD	10.00
CE	10.00	CF	10.00	CG	10.00	CH	10.00
CI	10.00	CJ	10.00	CK	10.00	CL	10.00
CM	10.00	CN	10.00	CO	10.00	CP	10.00
CQ	10.00	CR	10.00	CS	10.00	CT	10.00
CU	10.00	CV	10.00	CA	10.00	CB	10.00
CC	10.00	CD	10.00	CE	10.00	CF	10.00
CG	10.00	CH	10.00	CI	10.00	CJ	10.00
CK	10.00	CL	10.00	CM	10.00	CN	10.00
CO	10.00	CP	10.00	CQ	10.00	CR	10.00
CS	10.00	CT	10.00	CU	10.00	CV	10.00

DA	10.00	DB	10.00	DC	10.00	DD	10.00
DE	10.00	DF	10.00	DG	10.00	DH	10.00
DI	10.00	DJ	10.00	DK	10.00	DL	10.00
DM	10.00	DN	10.00	DO	10.00	DP	10.00
DQ	10.00	DR	10.00	DS	10.00	DT	10.00
DU	10.00	DV	10.00	DA	10.00	DB	10.00
DC	10.00	DD	10.00	DE	10.00	DF	10.00
DG	10.00	DH	10.00	DI	10.00	DJ	10.00
DK	10.00	DL	10.00	DM	10.00	DN	10.00
DO	10.00	DP	10.00	DQ	10.00	DR	10.00
DS	10.00	DT	10.00	DU	10.00	DV	10.00
DA	10.00	DB	10.00	DC	10.00	DD	10.00
DE	10.00	DF	10.00	DG	10.00	DH	10.00
DI	10.00	DJ	10.00	DK	10.00	DL	10.00
DM	10.00	DN	10.00	DO	10.00	DP	10.00
DQ	10.00	DR	10.00	DS	10.00	DT	10.00
DU	10.00	DV	10.00	DA	10.00	DB	10.00
DC	10.00	DD	10.00	DE	10.00	DF	10.00
DG	10.00	DH	10.00	DI	10.00	DJ	10.00
DK	10.00	DL	10.00	DM	10.00	DN	10.00
DO	10.00	DP	10.00	DQ	10.00	DR	10.00
DS	10.00	DT	10.00	DU	10.00	DV	10.00

EA	10.00	EB	10.00	EC	10.00	ED	10.00
EE	10.00	EF	10.00	EG	10.00	EH	10.00
EI	10.00	EJ	10.00	EK	10.00	EL	10.00
EM	10.00	EN	10.00	EO	10.00	EP	10.00
EQ	10.00	ER	10.00	ES	10.00	ET	10.00
EU	10.00	EV	10.00	EA	10.00	EB	10.00
EC	10.00	ED	10.00	EE	10.00	EF	10.00
EG	10.00	EH	10.00	EI	10.00	EJ	10.00
EK	10.00	EL	10.00	EM	10.00	EN	10.00
EO	10.00	EP	10.00	EQ	10.00	ER	10.00
ES	10.00	ET	10.00	EU	10.00	EV	10.00
EA	10.00	EB	10.00	EC	10.00	ED	10.00
EE	10.00	EF	10.00	EG	10.00	EH	10.00
EI	10.00	EJ	10.00	EK	10.00	EL	10.00
EM	10.00	EN	10.00	EO	10.00	EP	10.00
EQ	10.00	ER	10.00	ES	10.00	ET	10.00
EU	10.00	EV	10.00	EA	10.00	EB	10.00
EC	10.00	ED	10.00	EE	10.00	EF	10.00
EG	10.00	EH	10.00	EI	10.00	EJ	10.00
EK	10.00	EL	10.00	EM	10.00	EN	10.00
EO	10.00	EP	10.00	EQ	10.00	ER	10.00
ES	10.00	ET	10.00	EU	10.00	EV	10.00

FA	10.00	FB	10.00	FC	10.00	FD	10.00
FE	10.00	FF	10.00	FG	10.00	FH	10.00
FI	10.00	FJ	10.00	FK	10.00	FL	10.00
FM	10.00	FN	10.00	FO	10.00	FP	10.00
FQ	10.00	FR	10.00	FS	10.00	FT	10.00
FU	10.00	FV	10.00	FA	10.00	FB	10.00
FC	10.00	FD	10.00	FE	10.00	FF	10.00
FG	10.00	FH	10.00	FI	10.00	FJ	10.00
FK	10.00	FL	10.00	FM	10.00	FN	10.00
FO	10.00	FP	10.00	FQ	10.00	FR	10.00
FS	10.00	FT	10.00	FU	10.00	FV	10.00
FA	10.00	FB	10.00	FC	10.00	FD	10.00
FE	10.00	FF	10.00	FG	10.00	FH	10.00
FI	10.00	FJ	10.00	FK	10.00	FL	10.00
FM	10.00	FN	10.00	FO	10.00	FP	10.00
FQ	10.00	FR	10.00	FS	10.00	FT	10.00
FU	10.00	FV	10.00	FA	10.00	FB	10.00
FC	10.00	FD	10.00	FE	10.00	FF	10.00
FG	10.00	FH	10.00	FI	10.00	FJ	10.00
FK	10.00	FL	10.00	FM	10.00	FN	10.00
FO	10.00	FP	10.00	FQ	10.00	FR	10.00
FS	10.00	FT	10.00	FU	10.00	FV	10.00

GA	10.00	GB	10.00	GC	10.00	GD	10.00
GE	10.00	GF	10.00	GG	10.00	GH	10.00
GI	10.00	GJ	10.00	GK	10.00	GL	10.00
GM	10.00	GN	10.00	GO	10.00	GP	10.00
GQ	10.00	GR	10.00	GS	10.00	GT	10.00
GU	10.00	GV	10.00	GA	10.00	GB	10.00
GC	10.00	GD	10.00	GE	10.00	GF	10.00
GG	10.00	GH	10.00	GI	10.00	GJ	10.00
GK	10.00	GL	10.00	GM	10.00	GN	10.00
GO	10.00	GP	10.00	GQ	10.00	GR	10.00
GS	10.00	GT	10.00	GU	10.00	GV	10.00
GA	10.00	GB	10.00	GC	10.00	GD	10.00
GE	10.00	GF	10.00	GG	10.00	GH	10.00
GI	10.00	GJ	10.00	GK	10.00	GL	10.00
GM	10.00	GN	10.00	GO	10.00	GP	10.00
GQ	10.00	GR	10.00	GS	10.00	GT	10.00
GU	10.00	GV	10.00	GA	10.00	GB	10.00
GC	10.00	GD	10.00	GE	10.00	GF	10.00
GG	10.00	GH	10.00	GI	10.00	GJ	10.00
GK	10.00	GL	10.00	GM	10.00	GN	10.00
GO	10.00	GP	10.00	GQ	10.00	GR	10.00
GS	10.00	GT	10.00	GU	10.00	GV	10.00

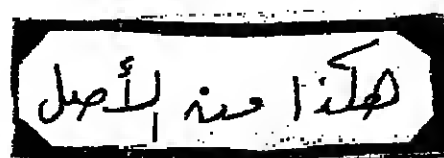
**A new blue chip on your TV screen.**

**EBC**

Every morning at 6.30, Monday to Friday, there is a blue chip opportunity waiting for you on the Sky Channel/Eurosport channel of your TV set. It's called European Business Channel. Its blue flag is the symbol of Europe's premier daily business service on television. It's the best thirty-minute investment you can make, before the business day begins. ■ European Business Channel is a new idea in commercial television, based in Zurich. From the heart of Europe, EBC transmits a daily half-hour programme to business people, continent-wide. ■ Top business journalists give up-to-the-minute



news on the day's key political, economic and business events, from Europe and the world. Commentary. In-depth analysis. Trade and market trends. And top-level interviews with figures in the news. ■ EBC's programmes are broadcast on Europe's biggest satellite-and-cable network, including Sky Channel/Eurosport, Sky News and RTLplus. At 6.30 a.m. from Monday to Friday. ■ Make a daily date with EBC. It's a blue chip investment for Europe's business elite. EUROPEAN BUSINESS CHANNEL, Wagistrasse 4, CH-8052 Schlatten/Zurich, Switzerland, Tel. (41-1) 730 41 44.



**WORLD MARKETS IN REVIEW**

IN THE IHT EVERY MONDAY. A WEEKLY REVIEW OF WORLD STOCK MARKETS. ESSENTIAL READING FOR INVESTORS AND PROFESSIONALS WORLDWIDE

**erale Trib**

Published With The New York Times and The Washington Post

Edited in Paris TUESDAY, JUNE 10, 1997 Printed in New York

**HEADING FOR NORTH AMERICA?**

You Can Now Receive Same-Day Delivery of The Global Newspaper in Key American Cities.

To subscribe call us toll-free in the U.S.: 1-800-682 2884

(In New York, call 212-752 3890.)

Or write: International Herald Tribune, 650 Third Ave., New York, N.Y. 10022

Or Telex: 427175, Or Fax: 212-7553785.

New Issue December 14, 1989

This advertisement appears as a matter of record only.

**EUROPEAN INVESTMENT BANK Luxembourg**

**DM 400,000,000**

**7½% Bearer Bonds of 1989/1999**

Offering Price: 100%

Interest: 7½% p.a., payable annually on December 14

Maturity: December 14, 1999

Listing: Frankfurt am Main, Berlin, Düsseldorf, Hamburg and München

**Deutsche Bank**  
Aktiengesellschaft

**Commerzbank**  
Aktiengesellschaft

**Dresdner Bank**  
Aktiengesellschaft

**Westdeutsche Landesbank**  
Girozentrale

**Arab Banking Corporation** – Deuts & Co. GmbH

**Bank of Tokyo (Deutschland)** Aktiengesellschaft

**Bayerische Vereinsbank** Aktiengesellschaft

**BHF-Bank**

**CSFB-Effektenbank**

**DG BANK**

**Deutsche Genossenschaftsbank**

**Georg Hauck & Sohn Bankiers** Kommanditgesellschaft auf Aktien

**Landesbank Rheinland-Pfalz** – Girozentrale

**Merck, Finck & Co.**

**Norddeutsche Landesbank** Girozentrale

**Schweizerischer Bankverein (Deutschland)** AG

**Thinkaus & Burkhardt** Kommanditgesellschaft auf Aktien

**Baden-Württembergische Bank** Aktiengesellschaft

**Bayerische Hypotheken- und Wechsel-Bank** Aktiengesellschaft

**Joh. Berenberg, Gossler & Co.**

**Bankhaus Gebrüder Bethmann**

**Delbrück & Co.**

**DSL Bank**

**Deutsche Siedlungs- und Landesrentenbank**

**Hessische Landesbank** – Girozentrale

**Landesbank Saar Girozentrale**

**B. Metzler eel. Sohn & Co.** Kommanditgesellschaft auf Aktien

**Sat. Oppenheim jr. & Cie.**

**Simonbank** Aktiengesellschaft

**Vereins- und Westbank** Aktiengesellschaft

**Westfalenbank** Aktiengesellschaft

**Bank für Gemeinwirtschaft** Aktiengesellschaft

**Bayerische Landesbank** Girozentrale

**Berliner Bank** Aktiengesellschaft

**Crübank** Aktiengesellschaft

**Deutsche Girozentrale** – Deutsche Kommunalbank – Hamburgische Landesbank – Girozentrale

**Bankhaus Hermann Lampe** Kommanditgesellschaft

**Merckard, Stein & Co.**

**J. P. Morgan GmbH**

**Schweizerische Bankgesellschaft (Deutschland)** AG

**Südwestdeutsche Landesbank** Girozentrale

**M. M. Warburg-Brinckmann, Wirtz & Co.**

**Yamaichi International (Deutschland) GmbH**



## Mitsubishi to Build EC Plant

Compiled by Our Staff From Dispatches

**TOKYO** — Mitsubishi Electric Corp., seeking to avoid European Community trade restrictions, said Wednesday it would build a 40 billion yen to 50 billion yen (\$276.9 million to \$346.1 million) integrated production facility for microchips in West Germany.

The plant, which is to start operations in 1991, will be situated near Aachen, and will manufacture state-of-the-art four-megabit dynamic random access microchips, a company spokesman said.

Mitsubishi Electric's move follows a decision in April by Fujitsu Ltd. to build a \$400 million (\$641 million) integrated microchip manufacturing plant in Newton Aycliffe in northeast England.

The major impetus for the decision was an EC ruling in January requiring overseas chip makers to perform locally a key production process in which micro-circuit patterns are imprinted on silicon chips, in order to obtain duty-free access to EC markets.

Fujitsu Corp. and Hitachi Ltd.

are also considering building integrated microchip production plants in Europe, spokesmen for the companies said.

"It wasn't a matter of if, it was a matter of where," said a Baring Securities (Japan) analyst, Mike Jeremy, referring to Mitsubishi's decision.

NEC Corp. already has an integrated production facility in Scotland for some of the chips it sells in the EC.

Japanese microchip makers are also eager to create footholds in Europe, since analysts say the region could become the world's fastest-growing market for electronics after the single market planned by the end of 1992 is in place.

While Britain has attracted much of Japanese companies' direct investment ahead of the EC single market, West Germany has definite allure, analysts said.

"Germany will be the heart of future developments in Europe," Mr. Jeremy said. "It will be embarrassingly successful, and a huge market for chips."

The plant near Aachen is to be operated by a wholly owned subsidiary, Mitsubishi Semiconductor Europe GmbH, Mitsubishi Electric said.

The subsidiary will be capitalized at two billion yen. Its annual sales are targeted to rise from 12 billion yen to about 42 billion yen in 1994, Mitsubishi Electric's managing director, Takashi Kitaoaka said.

The number of workers at the plant is expected to rise to about 500 in 1994 from 250 in the first year of operation, he said.

The strict EC rules on microchips are in line with the EC strategy of insisting that foreign investment in the community should involve high-technology transfers rather than simply assembling components.

The Aachen facility will be Mitsubishi Electric's second overseas chip factory. Mr. Kitaoaka said the company's U.S. plant, in North Carolina, was scheduled to start production next spring. (Reuters, AFP)

## BA and KLM Join Sabena Venture

Compiled by Our Staff From Dispatches

**LONDON** — British Airways PLC said Wednesday that it had agreed to acquire a 20 percent stake in Sabena World Airlines, a joint venture with Sabena SA and KLM Royal Dutch Airlines.

BA and KLM will each hold 20 percent of the new airline, with 60 percent held by the Belgian parent, Sabena. BA and KLM will invest 2 billion Belgian francs (\$34 million) each.

The European Community said it would scrutinize closely the proposed link of the three national carriers, which will form the largest European airline alliance.

A spokesman for the EC competition commissioner, Sir Leon Brittan, said, "We'll be taking a close look at the exact terms of the agreement to see how far it meets conditions for competition." The new airline, formed after nearly six months of negotiations, is scheduled to start operations at the beginning of next year, extending Sabena's present route network.

Sabena, which is 53 percent owned by the Belgian government, has for three years been looking for foreign partners to fight increased airline competition in Europe.

BA's chairman, Lord King, said, "Sabena World Airlines will compete vigorously against the large, established national carriers of continental Europe."

"The routes, products and services created by what is the first truly European airline will be excellent news for passengers throughout Europe."

Analysis said BA was likely to benefit by gaining access to a new center in Europe. "Given what BA is getting, that is a new hub in Europe, they've got quite a good price," said Gavin Launder of the Kleinwort Benson stockbrokerage.

In terms of revenue passenger kilometers, the new company is expected to triple Sabena's current size in six years, British Airways said.

Last year, Sabena reported 1.2 billion revenue passenger kilometers, ranking it 16th among European airlines, according to the Association of European Airlines. British Airways ranked first and KLM fifth by that measure, which is the number of kilometers flown by fare-paying passengers.

The forging of ties has raised some concern that Europe's airlines eventually will be concentrated into two or three blocks, which could hurt competition.

EC transport ministers only last week agreed to further steps aimed at creating freer air transport in Europe, and Sir Leon has pledged to push for more action. At the same time, however, Sir Leon has tightened EC antitrust scrutiny of European industries. (Reuters, AP)

## WestLB Buying 34% Stake In German Charter Carrier

Compiled by Our Staff From Dispatches

**DUSSELDORF** — WestLB, the German state-owned bank, said Wednesday that it would buy a stake of about 34 percent in the airline Lufthansa-Lufttransport-Unternehmen GmbH, the country's leading charter carrier, for modified terms.

The bank said in a statement that the purchase would become effective at the beginning of the year.

WestLB said it planned to hold onto its Lufthansa stake, regarding it as a long-term investment.

The bank sees an attractive investment in its involvement in Lufthansa because of the positive development of the airline and the favorable prospects of air traffic, the statement said.

The bank's demonstration of faith in Lufthansa's future comes at a time of increasing deregulation in the European Community airline system, even in a country where Lufthansa AG has long been dominant.

WestLB said that it was buying the holdings of several company owners who wished to realize prof-

its ahead of the introduction of new tax rules on ending company assets. WestLB said it would buy 10.5 percent of Lufthansa from Josef Knappe, about 2.5 percent from the Erwin Walter Graebner securities house and 21 percent from the heirs of the Lufthansa founder, Kurt Conle.

After the sale, the Conle heirs will have 60 percent of Lufthansa, Erwin-Walter Graebner 5 percent and the Lufthansa director, Werner Huebel, the remaining 1 percent, the statement said.

Lufthansa has carried about four million passengers this year, with a turnover of 1.05 billion Deutsche marks (\$599.3 million) in the airline sector and 1.58 billion DM in package holidays.

West LB said "negotiations begun with other companies interested in acquiring a stake were ended by common agreement."

The department store chain Karstadt AG, which has tourism interests through its subsidiary NUR, said in October that it planned to acquire an 18 percent stake in Lufthansa. (Reuters, AFP)

## Paribas Holds 40% of Mixte, Short of Goal

Agence France-Presse

**PARIS** — Compagnie Financière de Paribas said Wednesday that it controlled only 40 percent of Compagnie de Navigation Mixte at the expiration of its takeover offer, indicating its bid had failed.

"The indications that we have are still incomplete, but enable us to say that we can count on 40 percent of shares," a Paribas spokesman said.

"We would have been happier with more than 50 percent," he added, but refused to speak of failure, stressing that the 40 percent stake made Paribas the majority shareholder in Mixte, a conglomerate with interests ranging from agro-foods and transport to services and insurance.

Detailed results on the outcome of the bid, which expired Nov. 30, are due to be announced in mid-January.

## Volvo Shares Soar on Announcement of Big Food and Drug Venture

Compiled by Our Staff From Dispatches

**STOCKHOLM** — The price of Volvo AB shares surged on Wednesday as investors welcomed its plan to reshape Sweden's food and pharmaceutical industry in the country's biggest business deal ever.

The vehicle manufacturer announced on Tuesday that it would join the Swedish government as an equal partner in a group created by combining Procordia AB, Pharmacia AB and Volvo's food company, Provendur AB. The deal was valued at 24 billion kronor (\$3.8 billion).

Volvo's class B shares closed at 420 kronor, up 20 kronor, in Stockholm. Pharmacia, in which Volvo holds 46 percent of the votes and 29 percent of the share capital, also rose sharply, with the B shares up 38 kronor, at 208.

Procordia's A-restricted shares, the most widely traded, were down 13 kronor, at 145.

The entire Stockholm bourse was boosted by the deal, and the general index rose 1.1 percent, to 1,192.58.

"It is a good industrial solution because both Pharmacia and Provendur were too small to survive in the long run," said Hans Westerberg at United Securities in Stockholm.

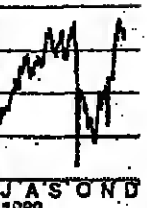
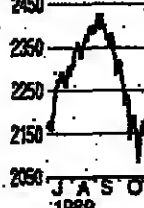
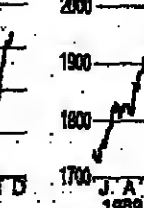
Some analysts in Britain were less upbeat, and they noted that the government's large interest in the company would discourage takeover interest.

Procordia, an industrial conglomerate, is to buy Provendur and Pharmacia. The merger will turn Procordia into one of Sweden's largest companies, with yearly sales of about 37 billion kronor.

In return Volvo will get a 42.5 percent stake in Procordia, sharing majority power with the government, which previously held an 80 percent interest.

Under the agreement, Volvo will obtain on behalf of Procordia the

## Investor's Europe

<b>Frankfurt</b> Commerzbank	<b>London</b> F.T. 100 Index	<b>Paris</b> C.A.C. 40		
				
J A S O N D 1989	J A S O N D 1989	J A S O N D 1989		
<b>Exchange</b>	<b>Index</b>	<b>Wednesday Close</b>	<b>Prev. Close</b>	<b>% Change</b>
Amsterdam	CBS General	184.30	185.50	-0.65
Brussels	Stock Index	6443.28	6466.51	-0.36
Frankfurt	Commerzbank	2024.00	2045.00	-1.08
Frankfurt	DAX	1638.54	1658.07	-0.88
Helsinki	UNITAS	617.50	617.10	+0.06
London	Financial Times 30	1880.10	1861.50	+1.00
London	FT-SE 100	2366.20	2363.50	+0.96
Madrid	General Index	303.03	303.35	-0.11
Milan	MIB	1119	1119	0.00
Paris	CAC 40	1960.42	1972.01	-0.59
Stockholm	Affarsvaerden	1152.70	1135.40	+1.52
Zurich	SBS	655.20	661.30	-0.92

Sources: Datastream, AFP

Continued from Page 16

## SmithKline Sets Accord to Work On Malaria Drug

The Associated Press

**PORTLAND, Oregon** — Epitope Inc. said Wednesday that it had reached an agreement with SmithKline Beecham PLC, the British-U.S. pharmaceutical giant, to develop Epitope's proposed anti-malaria drugs.

A SmithKline Beecham executive, Richard Onyett, said the market was estimated at a billion doses a year worldwide.

Michael C. Hubbard, president of Epitope, said the agreement would give SmithKline Beecham \$1 million worth of equity in his Beaverton biotechnology company, but he said the larger company's ultimate percentage of ownership had not been decided. Mr. Hubbard said other financial details of the agreement also still were being decided.

The proposed drugs, developed by three Oregon researchers, attack single-celled organisms that cause malaria and other ailments.

The drug's eventual acceptance by the Food and Drug Administration and other countries' regulators requires further trials using large animals before necessary tests on human volunteers can begin, Mr. Hubbard said.

Weekly net asset value

Tokyo Pacific Holdings N.V.  
on 11-12-1989 U.S. \$288.25  
Listed on the Amsterdam  
Stock Exchange

Information:  
Person: Helling & Tesson NV  
Rokin 55, 1012 CA Amsterdam  
Tel +31-20-5211188

## ADVERTISING

**INGERSOLL-RAND COMPANY (CDEs)**  
The undersigned announces that as from 27th December 1989 in Eas-Anglo-Atlantic N.V., Spierstraat 172, Antwerpen, Belgium, 66 of the CDEs Ingersoll-Rand Company, each rep. 5 shares, will be payable with Dfls. 2,80 net (div. per share 22.08.89; gross \$0.30 psh.) after deduction of 15% USA-tax = \$ 0.225 = Dfls. 0.50. Div.cps. belonging to non-residents of The Netherlands will be paid after deduction of an additional 15% USA-tax (= \$0.225 = Dfls. 0.50) with Dfls. 2.30 net.  
**AMSTERDAM DEPOSITARY COMPANY N.V.**  
Amsterdam, 11th December 1989.

## SARAKREK PARTICIPATIONS N.V.

NOTES OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON JANUARY 18th, 1990.  
Notice is hereby given that the Annual General Meeting of Shareholders of Sarakrek Participations N.V. shall be held on January 18th, 1990 at 3.00 p.m. local time at the offices of the Company at 6, John B. Gonslow, Garsco (N.A.) to approve the Report of the Managing Director, The Annual Accounts of the Company for the financial year ended May 31, 1989, the cash dividend and stock dividend for the above-mentioned financial year, and to discharge the management in conformity with the Company's articles of incorporation. The official agenda of the meeting may be inspected by all Shareholders at the offices of the Company and is available upon request.  
Amara Trust Corporation N.V.  
Managing Director.

## MCM INTERNATIONAL LIMITED

Mandrakos Capital Management is pleased to announce the listing of its MCM International Limited Fund. This offshore fund has one overriding objective: To achieve a consistently superior rate of return through active investing in the equity markets. The minimum subscription required of each investor in this fund is five hundred thousand dollars.

The investment manager believes the market continually provides opportunities as long as one can identify emerging trends and objectively differentiate perception from reality. The investment manager intends that the Fund's portfolio will, to the extent possible, parallel that of Mandrakos Associates, a New York limited partnership. Since its inception in 1980, Mandrakos Associates has achieved an annualized portfolio rate of return of 26.4% (21.1% net to investors) versus 15.9% for the Standard & Poor's 500 index.

For complete information please contact:

**MCM International Limited**  
P.O. Box 2003  
Grand Cayman, Cayman Islands B.W.I.  
Telephone (809) 94 97942  
Telefax (809) 94 98340

This notice is not an offer to purchase or sell securities or commodities, or render investment advice. It appears as a matter of record only, and is void where restricted or prohibited by law.

We are pleased to announce  
the election of

**EDWARD K. TROWBRIDGE**

as a member of our  
Boards of Directors

**DCNY CORP.**  
**DISCOUNT CORPORATION**  
**OF NEW YORK**

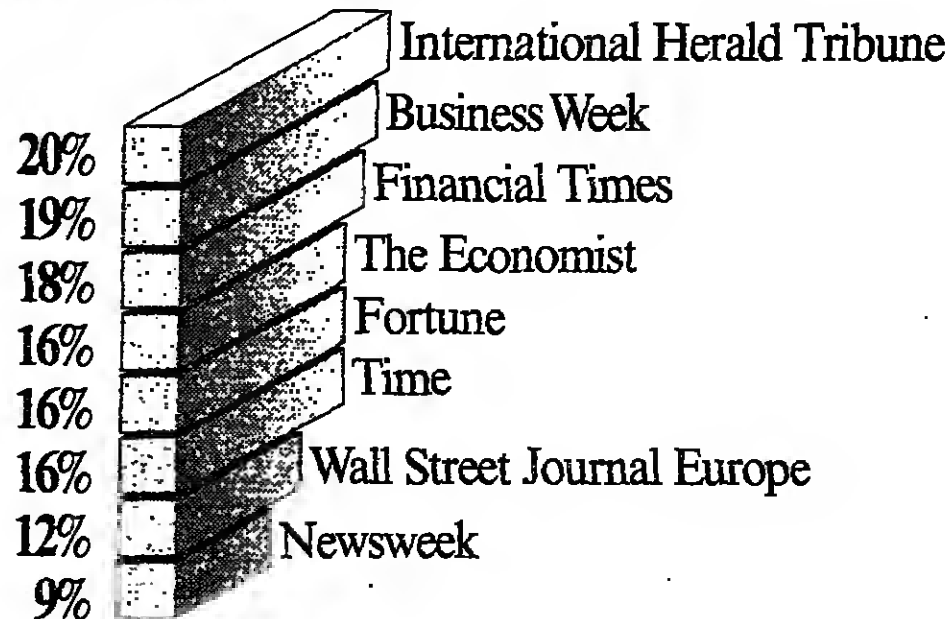
58 Pine Street, New York, N.Y. 10005

## REACHING THE EUROPEAN ELITE

## Business leaders

Results from the 1988 Insead Survey\* — a study of the reading habits of the graduates of Europe's foremost business school — show the International Herald Tribune to be the international publication most read by senior European executives.

\*By Research Services, Ltd. (Average issue readership)



**INTERNATIONAL Herald Tribune**  
Published With The New York Times and The Washington Post  
**The global newspaper.**

**PARIS:** 181, Ave. Ch.-de-Gaulle, 92521 Neuilly Cedex.  
Tel.: (33-1) 46 37 93 00/Tlx.: 613595/Fax: (33-1) 46 37 93 70.  
**NEW YORK:** 850 Third Ave., New York, NY 10022.  
Tel.: (1-212) 752 3890/Tlx.: 427175/Fax: (1-212) 755 8785.  
**LONDON:** 63 Long Acre, London WC2E 9JH.  
Tel.: (44-1) 836 4802/Tlx.: 262009/Fax: (44-1) 240 2254.

**FRANKFURT:** Friedrichstrasse 15, 6000 Frankfurt/Main.  
Tel.: (49-69) 72 67 55/Tlx.: 416721/Fax: (49-69) 72 73 10.  
**HONG KONG:** 7/F Malaysia Bldg., 50 Gloucester Road.  
Tel.: (852-5) 861 0616/Tlx.: 61170/Fax: (852-5) 861 3073.  
**SINGAPORE:** 138 Cecil St., Cecil Court 07-02, Singapore 0106.  
Tel.: (65) 223 6478/9/Tlx.: 28749/Fax: (65) 224 1566.



## H.K. Bank Pressed to Show Assets

**HONG KONG** — Stock in Hongkong & Shanghai Banking Corp. rose on Wednesday, boosted in part by speculation that the bank would publicly disclose its inner reserves. The company said it has not decided whether to do so.

The stock rose to 7.35 Hong Kong dollars (94 U.S. cents), up 10 cents from Tuesday. It had advanced 20 cents in the previous session.

Banks in Hong Kong are allowed to maintain inner reserves that are not publicly revealed.

They can use the reserves to produce consistent earnings growth by underwriting profit in good years and drawing on the funds to enhance results in bad years, banking sources said.

Analysts estimated that the banking concern's net asset value would increase between \$1 billion and \$2 billion per share if inner reserves were added. The current market price would thus represent an attractive 30 percent to 40 percent discount.

In a statement, Hongkong & Shanghai said its chairman, William Purves, has indicated that although he saw merit in the maintenance of inner reserves he considered it unlikely the bank could resist the growing global trend toward fuller disclosure in light of the concern's international position.

Hongkong & Shanghai said it considered it necessary to make an announcement "in view of continuing public speculation."

Many analysts see the disclosure of its inner reserves as one step that Hongkong Bank would have to take before it could merge with Midland Bank PLC of Britain. Hongkong & Shanghai owns 14.9 percent of Midland, and there have been persistent rumors it would merge with the British institution.

## Nestlé Surges In Malaysia

**KUALA LUMPUR, Malaysia** — Nestlé (Malaysia) Bhd stock surged in its first day of trading, boosted by institutional buying, brokers said.

Shares in the subsidiary of Nestlé SA rose to 990 ringgit (\$3.65), compared with the 5.20 ringgit at which the Swiss food company offered 21 million shares to the public in October.

## New Measures Push Seoul Stocks Higher

**SEOUL** — A day after the government announced a package of measures aimed at preventing a collapse of South Korea's stock market, Seoul stocks climbed across the board on Wednesday.

The market posted the second successive record one-day rise. The composite index ended 36.26 points higher, a 4.1 percent increase, at 915.72. On Tuesday, it had gained 34.71 points.

Brokers said investors joined in a buying frenzy set off by Tuesday's long-awaited government package, which is aimed at boosting the depressed market.

The index opened 22 points higher. Volume was more active at 300.4 billion won, against 106.5 billion on Tuesday. Buy orders outnumbered sell orders by a 9-to-1 ratio.

The government measures include increasing the discount rate on rights issues — new stock offered to current shareholders — to 30 percent from the current 10 percent and raising the annual interest rate on customer deposits at securities companies to 5 percent from 1 percent.

The extensive market-boosting package also allows three new unit trusts for foreign investment, each valued at \$30 million. Certain funds will be granted institutional investor status, which will give them large tax benefits.

After the package was unveiled, the index rose from its lowest level

in 1989. The previous single-day record increase was on Nov. 9, when the index rose 34.33 on rumors of government intervention.

Finance Minister Lee Kyu Sung said more funds from abroad would be lured into the South Korean stock market, indicating an early opening of the domestic securities market to foreign investors.

South Korea has been reluctant to open its capital market.

Since the Seoul market turned down in April, finance officials have launched a series of market-boosting measures, but the stock market had not previously responded because of South Korea's overall economic sluggishness.

Major newspapers in Seoul carried critical commentaries on Tuesday, however, calling the new measures a stop-gap policy that would incite inflation.

"These are the most drastic measures this year," a Finance Ministry official said. "And this is all we can do right now."

Brokers said that although the market rallied after the measures were announced, fundamental problems remained.

"I'm just concerned about when there's going to be selling, because some people are going to be taking profits, and the economy is still the same," said Lee Dong Ki at Ssangyong Securities.

But he said the raised discount rate on rights issues would be a particular boost over the short term.

(AP, Reuters)

## Malaysia Acts to Spur Bond Issues

**KUALA LUMPUR, Malaysia** — Malaysia is to cut the minimum value of corporate bond issues to 25 million ringgit (\$9.2 million) from 50 million, effective Jan. 1, the central bank governor, Jaffar Hussein, said Wednesday.

The previous minimum, which was set to ensure liquidity, is being cut after appeals from businesses, he said.

"I'm delighted," an investment banker said. "This will bring a lot of interesting smaller companies to the bond market."

Mr. Jaffar also said lead managers would from next year be allowed to act as depositories for their own issues. Currently, lead managers for bond issues have to appoint a second party to hold the paper.

On another matter, Mr. Jaffar said Bank Negara, the central bank, would not bow to pressure to check its foreign exchange activity. He said reports that the bank had traded up to \$5 billion a day were exaggerated.

With further deregulation of the financial markets in the offing, Mr. Jaffar forecast stiff competition among banks.

"It would be wrong to expect the authorities to cooey everyone safely through the uncharted waters ahead. Good bankers, like good tea, can only be appreciated when they are in hot water," Mr. Jaffar said.

(AP, Reuters)

## India Finance Minister Hints at Import Curbs To Slow Consumption

**NEW DELHI** — India's new Socialist finance minister, Madhu Dandavata, said Wednesday that pragmatism, not ideology, would steer his efforts to change the economy.

"We can't be more orthodox than Mr. Gorbachev," he said in reference to Mikhail S. Gorbachev's efforts to carry out wide changes in the Soviet economy.

But Mr. Dandavata, at his first news conference since taking office last week, said the basic aim of protecting the poor from market forces would not be compromised.

He said changes would be made gradually, especially in the new minority government's effort to shift resources and employment to rural areas, where more than 70 percent of India's 810 million people live.

"We must create a climate of austerity," he said. "Consumption will have to be checked."

He would not say whether he would reverse former Prime Minister Rajiv Gandhi's tentative liberalization of the closed economy. But he said imports and foreign investment would be allowed only when essential.

Mr. Dandavata also hinted that India would go to the International Monetary Fund to boost sagging foreign-exchange reserves.

He expressed concern about India's growing foreign debt, an ex-

panding trade deficit and falling foreign-exchange reserves, which officials said were about \$3 billion, or two months of imports.

The finance minister said no decision had been made to go to the IMF but added, "If any conditionality is imposed that violates our basic policy, we will not accept a loan."

That basic policy, he said, would include cutting the trade deficit by only importing commodities or components "where it is necessary and inevitable." The same would apply to foreign investment.

Mr. Dandavata said that did not mean foreign investment would not be allowed.

"But our aim is to gradually see a self-reliant economy so the need to borrow will go down and our foreign debt dwindle," he said.

India's trade deficit of \$4.5 billion in the 1988-89 financial year ending March — up from \$4 billion the previous year — is a serious concern, he said.

"We will see that imports are selective, both in terms of the commodities or components we buy and the point of time the imports are made," Mr. Dandavata said.

He said India's foreign debt stood at \$44 billion at the end of March, with a debt service ratio to export earnings of 26 or 27 percent, and would rise by the end of the current year.

## Investor's Asia

Hong Kong	Singapore	Tokyo
Hang Seng	Straits Times	Nikkei 225
200	150	3000
250	160	3250
300	170	3500
350	180	3750
400	190	4000
450	200	4250
500	210	4500
550	220	4750
600	230	5000
650	240	5250
700	250	5500
750	260	5750
800	270	6000
850	280	6250
900	290	6500
950	300	6750
1000	310	7000
1050	320	7250
1100	330	7500
1150	340	7750
1200	350	8000
1250	360	8250
1300	370	8500
1350	380	8750
1400	390	9000
1450	400	9250
1500	410	9500
1550	420	9750
1600	430	10000
1650	440	10250
1700	450	10500
1750	460	10750
1800	470	11000
1850	480	11250
1900	490	11500
1950	500	11750
2000	510	12000
2050	520	12250
2100	530	12500
2150	540	12750
2200	550	13000
2250	560	13250
2300	570	13500
2350	580	13750
2400	590	14000
2450	600	14250
2500	610	14500
2550	620	14750
2600	630	15000
2650	640	15250
2700	650	15500
2750	660	15750
2800	670	16000
2850	680	16250
2900	690	16500
2950	700	16750
3000	710	17000
3050	720	17250
3100	730	17500
3150	740	17750
3200	750	18000
3250	760	18250
3300	770	18500
3350	780	18750
3400	790	19000
3450	800	19250
3500	810	19500
3550	820	19750
3600	830	20000
3650	840	20250
3700	850	20500
3750	860	20750
3800	870	21000
3850	880	21250
3900	890	21500
3950	900	21750
4000	910	22000
4050	920	22250
4100	930	22500
4150	940	22750
4200	950	23000
4250	960	23250
4300	970	23500
4350	980	23750
4400	990	24000
4450	1000	24250
4500	1010	24500
4550	1020	24750
4600	1030	25000
4650	1040	25250
4700	1050	25500
4750	1060	25750
4800	1070	26000
4850	1080	26250
4900	1090	26500
4950	1100	26750
5000	1110	27000
5050	1120	27250
5100	1130	27500
5150	1140	27750
5200	1150	28000
5250	1160	28250
5300	1170	28500
5350	1180	28750
5400	1190	29000
5450	1200	29250
5500	1210	29500
5550	1220	29750
5600	1230	30000
5650	1240	30250
5700	1250	30500
5750	1260	30750
5800	1270	31000
5850	1280	31250
5900	1290	31500
5950	1300	31750
6000	1310	32000
6050	1320	32250
6100	1330	32500
6150	1340	32750
6200	1350	33000
6250	1360	33250
6300	1370	33500
6350	1380	33750
6400	1390	34000
6450	1400	34250
6500	1410	34500
6550	1420	34750
6600	1430	35000
6650	1440	35250
6700	1450	35500
6750	1460	35750
6800	1470	36000
6850	1480	36250
6900	1490	36500
6950	1500	36750
7000	1510	37000
7050	1520	37250
7100	1530	37500
7150	1540	37750
7200	1550	38000
7250	1560	38250
7300	1570	38500
7350	1580	38750
7400	1590	39000
7450	1600	39250
7500	1610	39500
7550	1620	39750
7600	1630	40000
7650	1640	40250
7700	1650	40500
7750	1660	40750
7800	1670	41000
7850	1680	41250
7900	1690	41500
7950	1700	41750
8000	1710	42000
8050	1720	42250
8100	1730	42500
8150	1740	42750
8200	1750	43000
8250	1760	43250
8300	1770	43500
8350	1780	43750
8400	1790	44000
8450	1800	44250
8500	1810	44500
8550	1820	44750
8600	1830	45000
8650	1840	45250
8700	1850	45500
8750	1860	45750
8800	1870	46000
8850	1880	46250
8900	1890	46500
8950	1900	46750
9000	1910	47000
9050	1920	47250
9100	1930	47500
9150	1940	47750
9200	1950	48000
9250	1960	48250
9300	1970	48500
9350	1980	48750
9400	1990	49000
9450	2000	49250
9500	2010	49500
9550	2020	49750
9600	2030	50000
9650	2040	50250
9700	2050	50500
9750	2060	50750
9800	2070	51000
9850	2080	51250
9900	2090	51500
9950	2100	51750
10000	2110	52000
10050	2120	52250
10100	2130	52500
10150	2140	52750
10200	2150	53000
10250	2160	53250
10300	2170	53500
10350	2180	53750
10400	2190	54000
10450	2200	54250
10500	2210	54500
10550	2220	54750
10600	2230	55000
10650	2240	55250
10700	2250	55500
10750	2260	55750
10800	2270	56000
10850	2280	56250
10900	2290	56500
10950	2300	56750
11000	2310	57000
11050	2320	57250
11100	2330	57500
11150	2340	57750
11200	2350	58000
11250	2360	58250
11300	2370	58500
11350	2380	58750
11400	2390	59000
11450	2400	59250
11500	2410	59500
11550	2420	59750
11600	2430	60000
11650	2440	60250
11700	2450	60500
11750	2460	60750
11800	2470	61000
11850	2480	61250
11900	2490	61500
11950	2500	61750
12000	2510	62000
12050	2520	62250
12100	2530	62500
12150	2540	62750
12200	2550	63000
12250	2560	63250
12300	2570	63500
12350	2580	63750
12400	2590	64000
12450	2600	64250
12500	2610	64500
12550	2620	6



1992

## The World's Rendezvous With Europe

Fourteenth in a Series

The Communications Industry / New Directions

## Media Strive to Capture The Message of Change

In Rome, some members of the Accademia della Crusca, the Italian counterpart of the Académie Française, are seeking government funding for a program aimed at discouraging the creeping influence of English words on the Italian language. Examples of "frangiliars" include the common use of words such as "breakfast," "hi-fi" and "telexway."

Other Italian academics believe it is natural for their language to change as the world changes — and especially as Europe changes in anticipation of the EC's move toward a single market by 1992. "Like it or not," lexico-

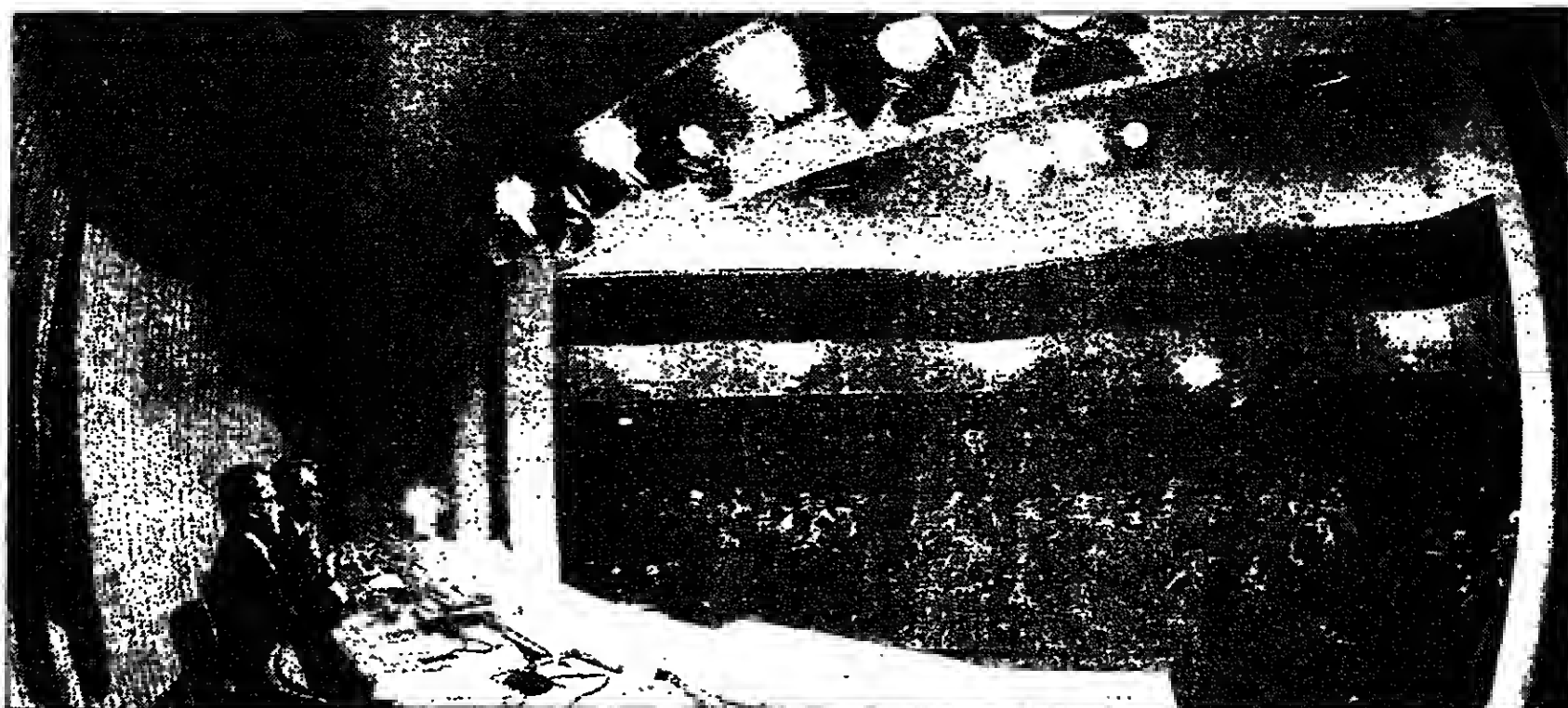
development of pan-European communications technology and pan-European TV programming.

The race among Japan, the United States and Europe to develop the world-standard system for High Definition Television (HDTV) — the new, sharper-image technology that promises to transform the International TV industry — should, Mr. Dondelinger says, provoke Europe to produce its own top-quality television programs instead of relying on buying programs produced elsewhere (mainly in the United States).

There are already some examples of pan-European communications, but they are generally confined to special sectors — mostly business and financial circles. The way the EC's 322 million citizens eventually communicate — or not — may depend on corporate initiatives. If Sky, Super Channel and other pan-European satellite broadcasting operations continue to use mainly English-language programming, there will no doubt be more widespread usage of "frangiliars," "Frangiliars," or what Mr. Pittano calls the "New Esperanto."

Mr. Dondelinger concedes that English has an advantage but says: "There will not be one dominant culture in Europe. The cultural identity of all the nations of Europe has to be preserved." He says the EC is walking a tightrope, trying to preserve each individual nation's language and culture while also promoting "greater exchange" among nations. This might eventually lead to a "parallel" European language and culture. "This is a highly political issue throughout Europe," Mr. Dondelinger says. "It is being dealt with at the very highest levels of government."

The concern of preserving national identities is one of the reasons the EC has put forth broadcasting quotas that would require each member country



Jacques Delors facing the press December 7 in Brussels prior to the weekend's summit in Strasbourg. On the agenda: reconciling the EC's timetable of change with that of Eastern Europe.

to fill no more than half its national TV airtime with programs originating outside the EC. The Bush administration and the American entertainment industry see the quotas as concrete blocks for the foundations of the dreaded "Fortress Europe."

It is likely that the gradual Americanization — or, rather, a gradual globalization with an American accent — will continue on the small screens of Europe on a country-by-country basis, depending on how much each country happens to favor American entertainment. In Belgium, Flemish-language viewers were quick to defect from their regular channels when a Flemish-language channel recently began broadcasting.

If there is going to be any sort of truly pan-European TV, it will more likely be through programming that is less dependent on any particular lan-

guage, such as sports and music video channels like MTV. "My motto is 'Every Household in Europe.' At first even my own staff giggled a bit. Now they're taking it seriously," says Bill Roddy, the managing director of London-based MTV Europe.

Given language barriers, the odds seem against the imminent rise of a general-interest, pan-European press. The most highly touted would-be groundbreaker, British entrepreneur Robert Maxwell's planned newspaper, The European, has reportedly been scaled back from a daily to a weekly while still in the planning stages, and its launch has been delayed repeatedly. If there is going to be a pan-European press, its seeds are surely to be found in a magazine such as The Economist and, in the competition for the business-newspaper reader, among the Financial

Times, the Wall Street Journal Europe and the more general-interest International Herald Tribune.

The rise of English — at least of clear, pragmatic English used for specific communication tasks — seems to be the key to avoiding what some call "Eurobabble," a cacophony of different languages.

Chrissie Maher, director of Plain English, a loosely organized British group that campaigns for the use of simple, direct English, says: "For us, 1992 means Eurojargon. I shall go bananas. Unclear instructions can cost lives and, at the very least, a lot of money. An error rate of 1 percent for returns of government forms costs the taxpayer 1 million pounds, and the average rate is more like 33 percent."

Edward Johnson, a Cambridge University professor specializing in the role of language in the post-1992 EC,

believes that the languages most widely used in the single market may give those countries and native speakers an economic advantage. However, he points out, many unresolved questions remain: "Are head-on approaches — such as massive provision of language-learning facilities, massive provision of translation facilities, the accurate translation into nine languages of all trade-related legislation and documentation — the answer? Will the problem resolve itself by the spontaneous emergence of a common language? Or a communality of languages with sufficient parity to permit straightforward translation?"

Mr. Johnson notes that some efforts to avoid language inequality are being carried out in EC-funded programs

Continued on Page 21

The International  
Herald Tribune  
is honored to welcome  
these world-renowned  
companies as sponsors  
of its 1992 series.

digital

ALCATEL



**GoldStar**  
The brightest star in electronics.

**ABB**  
ASEA BROWN BOVERI



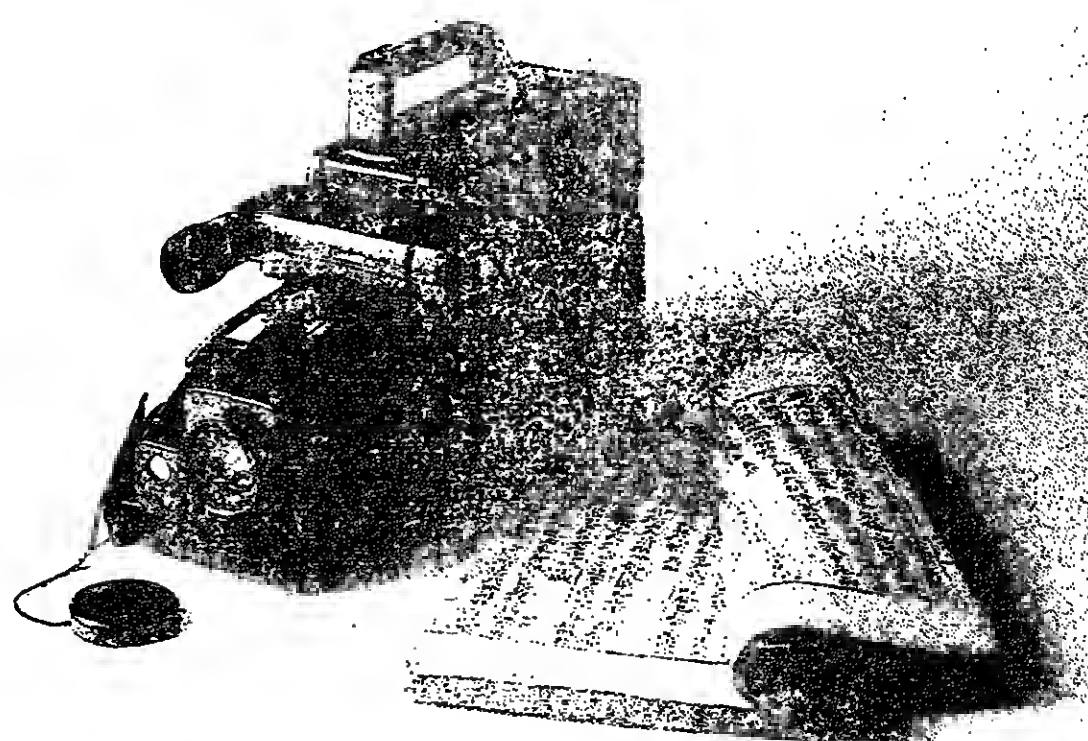
**RHÔNE-POULENC**

**NOKIA**

FRANCE  
**TELECOM**  
INTERNATIONAL



**Herald Tribune**



It comes with a 2,500 year old  
history of quality control.

We have an ancient way of doing things here at Goldstar.

It's a way of placing people and personal relationships above all else.

We call our way Inwha. (pronounced IN'-WAH). A spirit that dates back 2,500 years to the philosopher Confucius:

At Goldstar, the spirit of the ancient philosopher is still quite tangible today.

It can be seen in the relationships between our management and our workers. And these relationships translate into the high quality of all our products. Quality you can count on because their source is an unbreakable bond

of mutual trust and respect between the people who make the product.

But the spirit of Inwha is not just limited to the smooth operation on our factory floor. Wherever we do business, in Korea and around the world, we show people the same respect for the individual that we show each other.

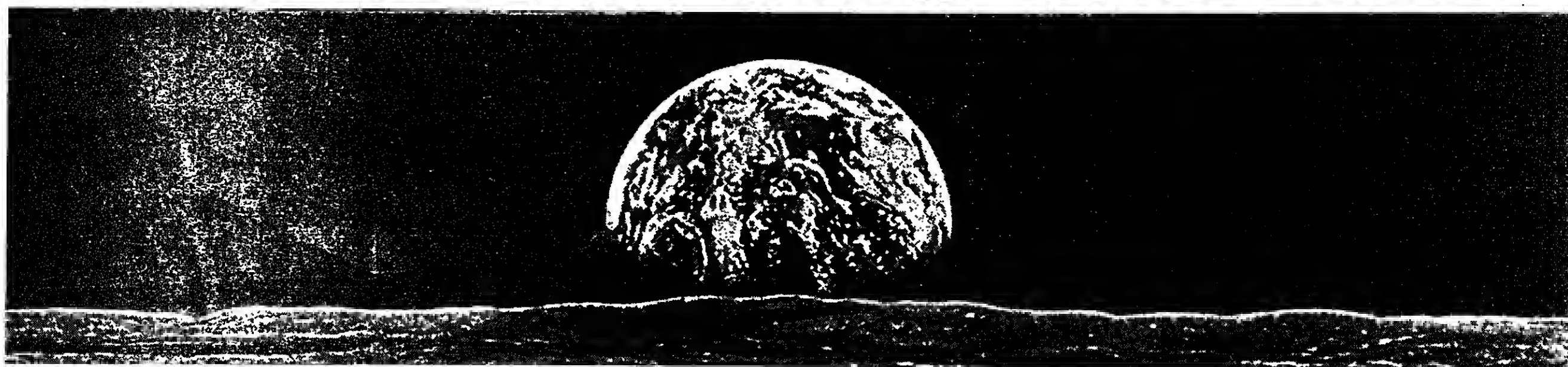
We hope this helps you better understand what we call Inwha. Because if you understand Inwha, you'll understand the character and quality of Goldstar.

**GoldStar**  
The brightest star in electronics.

Goldstar Co., Ltd., 500, Seongnam, Seoul, Korea. Tel: (031) 724-1111. Telex: 324111. Fax: (031) 724-1111. Distributors: 1992/12/14-1992/12/14. Goldstar Co., Ltd. 500, Seongnam, Korea. Tel: (031) 724-1111. Telex: 324111. Fax: (031) 724-1111. Seoul Office: 1992/12/14-1992/12/14. Goldstar Co., Ltd. 500, Seongnam, Korea. Tel: (031) 724-1111. Telex: 324111. Fax: (031) 724-1111.



# Come see how we view the world.



It's an inspiring sight.

Governments and private companies processing and communicating information with ease and efficiency. Time and distance between people and places compressed into microbursts of light.

We are NYNEX, a world leader in telecommunications, systems integration and information processing. And our vision of this possible world takes very practical forms today.

We are the source for advanced products like Centrex, the computer-controlled telecommunications system, ISDN, protocol conversion and international banking applications. We offer everything from computer networks and software to the capabilities of

our two telephone companies, New England Telephone and New York Telephone.

Some very practical customers are making use of all this expertise. Such as major telecommunications companies in England, France, the Netherlands and Japan. Nearly 500 international banks with U.S. operations. And over half of the *FORTUNE* 500.

So if you want world-class assistance in designing your private or national telecommunications network, do one thing this December 12 through 15 in RAI Amsterdam:

**Visit NYNEX at EUROCOMM, Booth H460.**

We think that you're going to like what you see.

*Need to communicate? Need to compute? The answer is*

**NYNEX®**



# 1992 The World's Remade With Europe

Interview / Martin Sorrell, Chief Executive, WPP

## Consumers Becoming More Divergent

Martin Sorrell, chief executive of WPP, one of the world's largest advertising and marketing services companies, discussed the outlook for the European communications industry with Axel Krause, corporate editor of the International Herald Tribune. The following are excerpts from the interview.

**What is your gut reaction to what has been happening in Eastern Europe now that we are talking about 400 million consumers and not just 320 million?**

The political impetus is driving much of what is happening. It is true that we are looking at a big market for basic necessities — in terms of personal products, cereals and detergents and perhaps for more sophisticated goods. However, the impact on our business will be medium- and long-term.

**What is the question uppermost on your mind as you look eastward?**

There are many tremendous opportunities there. But at the same time, I don't think that we or our competitors have yet found sufficient interest and volume for it to be a major force at this time. In the future it will be. We have a

joint venture with a local agency in Hungary and through that, we have an office in Moscow.

**Have you given any thought as to how your business might develop in East Germany, given your strong position in West Germany?**

For our business it represents a phenomenal opportunity. The issue is how do you untap it and when.

**What does EC-1992 mean to you?**

It is an administrative gimmick. And it is a symbol. All of the shifts had been taking place for many, many years. Many of our clients have organized their businesses or have been thinking about changing boundaries of their business. Prices will by and large be the same or similar. Tariff barriers will go. There will be a sameness about products. Our challenge is marketing in this context, relying heavily on a key asset — our imagination.

**What has EC-92 accomplished?**

It certainly has concentrated people's minds. But 1992 or, more accurately, January 1, 1993 is not going to change consumers in their attitudes, which have been formed over many years as a product of all sorts of political, social, demographic factors that will not be affected by a bureaucratic

change. If anything, consumers are getting more divergent rather than more similar. We have come to the general conclusion that global branding, as a blanket concept, is rather naive, except in very specific circumstances. Detergents, for example. There are some global brands, but there are also local and regional brands.

**Are you sensing that the Japanese are turning to communications groups such as yours to get their message across in the West?**

Part of the problem has been that Japanese multinational companies have not been able to find Japanese agencies or PR businesses that have set up organizations around the world. Now that is changing. Dentsu recently announced it intends to build a worldwide network.

**How are you being affected by the wave of mergers and acquisitions in the communications industry?**

Our industry is no different from any other. On the one hand, we have clients in the package goods industry, for example, which have been consolidating. Nestlé acquiring Rowntree and Carnation. Unilever buying several personal products companies. Ford



Martin Sorrell, WPP chief executive; an important task is helping clients understand EC changes.

Motor Co. has just purchased Jaguar. On the other side, with the media, you also have consolidation, although media companies — such as Maxwell, Berlusconi and Murdoch — do not have worldwide market shares that are tremendously significant yet. You have the agencies in the middle, who work for the clients, not the media.

**How are they reacting?**

It is much easier for clients to look at agency remuneration than it is to try and squeeze reductions in network television rates. A squeezing of remuneration is happening.

**What is the outlook for worldwide advertising revenues?**

Last year, the business — media advertising, public relations, market research — was worth about \$580 billion, of which media advertising was \$200 billion. About half that was in the United States. In 1989, we reckon that the \$580 billion will be up by about 12 1/2 percent. The media advertising segment will be up on a worldwide basis of about 10 percent. U.S. growth will be up 8 percent; Europe up around 12 percent.

**Is there anything unusual about the European growth?**

There is a southward shift. The U.K. market has been a bit softer in 1989, the rest of Europe stronger. But Spain, for example, has been up 25 percent. Italy and Spain and, to a lesser degree (because they are smaller, absolute markets) Portugal, Greece and Turkey, have grown very rapidly in the past several years. Some companies operating in this "Garlic Belt" say they are among their most profitable European operations.

**Where is the growth coming from?**

Television. [Silvio Berlusconi has been particularly successful with his new Spanish licenses, and he is, effectively, building another network. He and others are trying in Germany, which is interesting because only 12 percent of media advertising there is in television, compared to about a third of total media expenditure in the U.S. and the U.K. Obviously, if reunifi-

cation were to happen, and, at the same time, you had television becoming increasingly important — which it must do — you have the makings of an even bigger market.

**What is the main problem you see as Britain and others move toward more deregulation of television?**

Programming. We have doubled the output here in the U.K. with Sky. Some of it is good. A lot of it is rather old. With satellite broadcasting, you will have a tripling of capacity. We've gone from four channels to about 10. We'll go up to about 15. Unfortunately, there isn't enough product to go around. It's an enormous problem.

**What is your reaction to the recent call for European quotas on EC television productions, aimed at reducing the large U.S. share?**

You will probably find in many cases that the opportunities Europe brings will be exploited to a far greater extent by outside companies. By and large, it's not a good thing. One of the issues is, of course, that the Americans are so good in this field, just as they are in advertising.

**How do public relations and lobbying, handled for you by Hill and Knowlton, fit in?**

One of the most important functions we perform is making sure our clients understand the implications of what is happening [in the EC]. This is one of those businesses growing at 15-20 percent.

## The Communications Industry / New Directions

### The Message of Change

Continued from Page 19

aimed at developing computers to provide instant written or spoken translations from one EC language to another. Another "equality" development is in electronic data interchange, in which orders, billings and invoices can be sent from one country to another and understood despite language differences. Mr. Johnson and many other language experts believe that, rather than a general mass-public system or style of communication, specific economic fields will continue to lead the way.

In the business world, the spate of corporate takeovers, restructuring and alliances across Europe in anticipation of the single market has done

much to create unofficial pan-European communication in the fields of banking and brokerage.

A key, of course, is new technology — or a lowering of national barriers to cross-border use of that technology. Consequently, deregulation of the EC telecommunications industry and the denting of monopolies as part of the single market campaign have allowed for new uses of technology cooperation across the continent. Next year, six British companies are joining the national telephone companies from France, West Germany and Italy to create Euromessage, an electronic paging system that will allow, for instance, a French salesman to be paged on his beeper while he is traveling in Italy. A much broader, more

advanced messaging network, ERMES, is envisioned; it would include all the EC countries as well as the European Free Trade Association (EFTA) and Nordic countries by the mid-1990s.

Limited pan-European communication also exists already in industrial and institutional research. The EC's Eureka network serves as a clearinghouse for research projects that could ultimately improve productivity and competitiveness. While the business world is already developing its own niches of "internal" European communications, a bigger question remains for "external" European communications: those that reach out from the company to the consumer.

The success of pan-European advertising campaigns and marketing strategies needs one critical element — the Euroconsumer. Defining and then reaching this all-purpose entity will not be easy. After all, even if a shopper in Ireland and a shopper in Greece buy the same brand of tooth-

paste (made in France), their motivations for plucking it off the shelf may be entirely different.

Simon Lloyd, director of media operations at Publicis FCB in London, believes pan-European strategies cannot work without extensive research. But first, he says, standard research methods must be agreed upon as to how to measure and evaluate audiences and their responses. "There are almost no pan-European standards, no harmonization across markets. To achieve this will require hard work, but it is inevitable that we must have it eventually in order to permit the development of genuine pan-European studies and to permit comparison across markets," Mr. Lloyd says.

The style of the message often varies from country to country, especially in the use of humor and sex. In one perfume commercial currently airing on many European TV channels, the scent leads a young man to approach

a young woman. In Britain, his target is not a woman, but a mixed bouquet of flowers. In Italy, it is a single red rose. Another much-noted print ad shows the bare breasts of a black woman nursing a white baby. That ad has appeared widely across the continent but nowhere in Britain, where the sponsors feared it might be offensive.

In the absence of the Euroconsumer necessary for mass marketing, the marketers' and advertisers' best bet for pan-European strategies so far would appear — as for business and industry — to be in certain narrowly specific retail sectors, such as in selling expensive luxury items to high-income groups.

Meanwhile, the prospect of Europe-wide communications, like most other aspects of cooperation and coordination among the EC and neighboring European countries, is being further complicated by recent events in Eastern Europe. Many in the communications industry seem to share the view

of Konrad von Viereck, an executive with McCann-Erickson advertising agency in Vienna: "Apart from business-to-business communication, is there a need for advertising [in Eastern Europe]?" he says, referring to limitations imposed on consumers there by their countries' economies. "In Moscow and other places you can sell more or less anything because everything is in short supply."

It seems unlikely that the prospect of democratic movements and freer markets in Warsaw Pact countries will mean a major diversion of the EC's focus on the single market. At the same time, Western business involvement in countries such as Poland and East Germany may depend in large part on how those countries can adapt to the style and substance of European commerce and communications — and how well they can communicate their internal changes to Europe and the rest of the world.

Timothy Harper

digital™

Integration without barriers is the Digital vision.



To most communications systems companies, these gentlemen are South East Asians. To us they're a Thai, an Indonesian, a Malay and a Vietnamese.

And how does Alcatel perceive such glaring differences? Simple.

Wherever a customer, or potential customer is based, there are local Alcatel experts living and working in the same country.

They are there to make sure that our communications systems have the flexibility to match the customer's specific requirements.

And this applies to Public Network Systems, Transmission, Business Systems, Cables, Network Engineering and Installation.

Of course, this sort of customer commitment and support requires manpower.

That's why 125,000 Alcatel professionals work closely together with local customers in 110 countries, building a relationship of trust and co-operation. It's only with such a close partnership that truly flexible solutions to suit individual market requirements can be developed. Which is better for worldwide communications systems and better for customers like the gentlemen above.



Alcatel n.v., World Trade Center, Strawinskylaan 341, NL 1077 XX Amsterdam, The Netherlands.

For over 25 years, Digital's networked information systems have been helping our European customers to break down both external and internal barriers.

Systems ranging from single user workstations to fully integrated networks of multi-vendor computer systems — working together and driving business across countries, across continents — backed up by the widest range of supporting services in the industry.

Digital has also actively supported the breaking down of technological barriers by promoting the develop-

ment of open standards for computer hardware and software.

The breaking down of such barriers will free you to seize the opportunities offered by 1992 and beyond.

No matter which industry segment you operate in, you'll find that Digital's response is more flexible and more closely aligned to the needs of today and tomorrow.

Leaving you free to break down even more barriers of your own.

The rewards of working together.

With Digital's networked information systems your company will be free to sharpen its competitive edge. To meet the challenge of 1992 and beyond.

With more fully integrated computer networks in place than anywhere else, Digital provides an elegantly simple way for your people to work together more productively, more creatively, more competitively.

A way to work together like never before.

Just contact your local Digital sales office.

Digital Equipment Corporation International (Europe)



# 1992

## The World's Rendezvous With Europe

The Press / No "European Reader"

### Print Media Facing Saturated Markets at Home

The dismantling of European barriers will not make much difference in the choice of newspapers and magazines for Europeans. There is no such creature as a European reader, and there is unlikely to be one for many years to come.

"There is no European market, because of the language barrier and strong national identity," comments

#### EC national newspapers' days may be numbered

Laurent Dubois, legal and administrative director of the Paris Press Union (SFP).

Nonetheless, at a corporate level, media groups began to adopt a European strategy some time ago. "There has been an enormous change of atmosphere over the last one or two years," comments Timothy Balding, executive director of the International Federation of Newspaper Publishers (FIEJ). "We get a couple of calls a week from press groups in different countries, enquiring about cross-border opportunities of partial or full acquisition. Their own markets are saturated." Many media experts believe the days of the national newspaper in post-1992 Europe are numbered. The titles may survive, but "they will all be regional," Mr. Balding believes.

Communications and Information Technology (CIT) Research Ltd. in London agrees. "International distribution is slow and expensive, and unless daily newspapers have printing facilities in various countries and continents like the Financial Times and International Herald Tribune, news will no longer be news by the time the paper gets to the consumer," CIT comments in its latest annual "Media Map of Western Europe" report. CIT predicts: "Daily newspapers are still the most common means of addressing regional issues, expressing local opinions and carrying local advertising."

There appears to be no need for a Europe-wide newspaper in the immediate future. Robert Maxwell, one of Europe's most energetic and controversial media barons, was well ad-

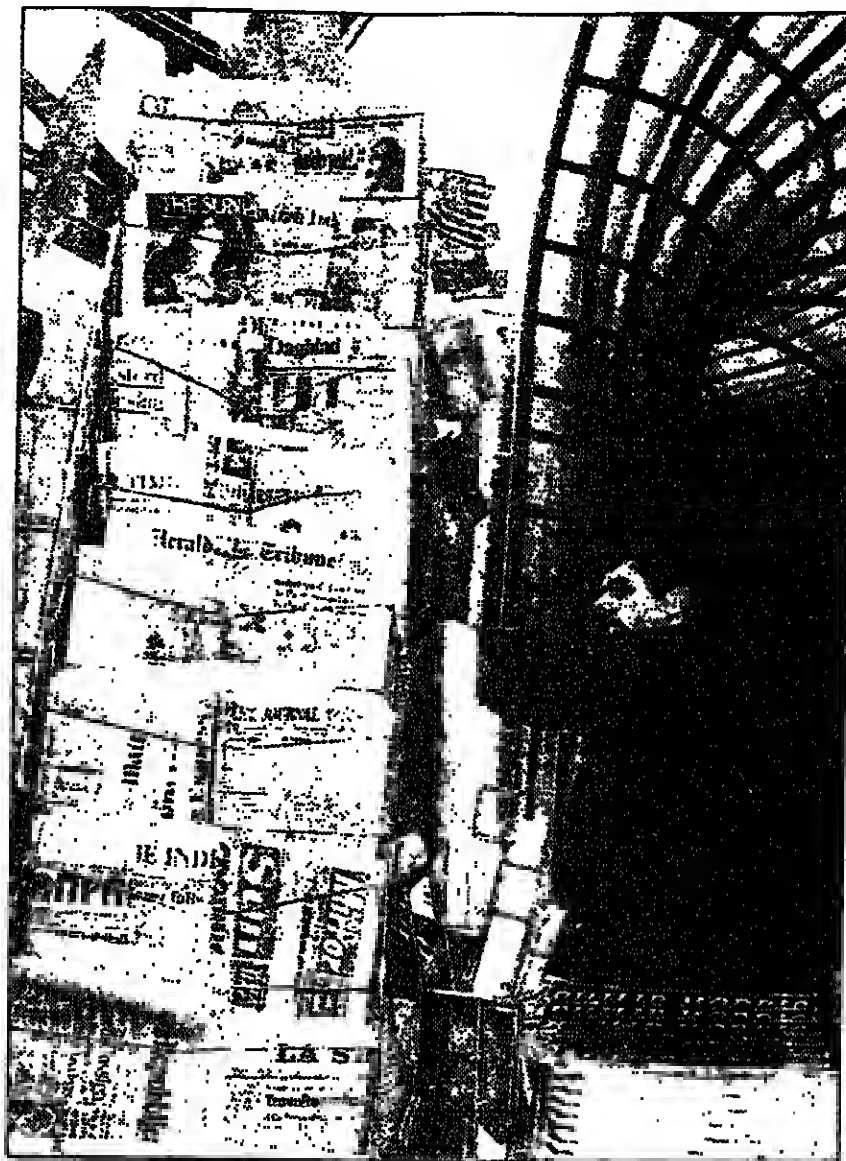
vanced with plans to launch The European, a daily that was to be printed in eight European centers. But response was so poor that Mr. Maxwell scaled down the project.

Cross-border links are another matter. A four-way agreement to exchange articles on Europe was signed recently between The Independent in the United Kingdom, Sueddeutsche Zeitung in West Germany, La Repubblica in Italy and El Pais in Spain. Le Figaro in France, Handelsblatt in West Germany and Il Sole 24 Ore in Italy agreed to join forces for opinion polls, interviews and surveys. A third new partnership: Libar, a European cultural review launched in October by Frankfurter Allgemeine Zeitung of West Germany, L'Indice of Italy, Le Monde of France, El Pais of Spain and the Times Literary Supplement of the U.K.

According to the CIT study, even though the daily newspaper markets have reached saturation in most European countries and circulations are stagnating or falling slightly, market gaps can still be found. The Independent in Britain, by maintaining an independent political perspective, has found a niche among informed readers, and Scandinavian titles "are maintaining their position and even growing in circulation and revenue," CIT says.

In West Germany, dailies have been losing ground to local weeklies and freshets, and in France, newspaper circulations have been shrinking since the 1950s. "Over the last three years, many leading French dailies have been given facelifts and started to produce an ever increasing number of supplements to prop up their circulations," CIT says. Italian publishers are going the same way: La Repubblica sales soar from 750,000 normally to 1,100,000 on Fridays, when it comes with two supplements.

CIT notes that general consumer magazines are particularly hard hit by sliding circulation and advertising revenues. This "increases the need to specialize and find new niches," it says. Many European countries have been launching more upmarket magazines focusing on lifestyles and travel. Among this year's entries are



European dailies: a few market gaps still exist.

Globo, Switzerland; Max and Match Voyages, France; and Salsons and Men Style, West Germany.

At the same time, CIT forecasts continued growth in the export market for consumer magazines. Prima, successfully launched by Gruner & Jahr of West Germany in France and the U.K., is an example. One of the most promising markets is Spain, where France's Hachette group and Gruner & Jahr are increasingly active. Other publishers, such as Axel Springer in Hamburg, are exploring Eastern Europe.

Meanwhile, many disparities need

to be ironed out among EC member countries, such as post and distribution systems, telecommunications and uniform legal and economic privileges for journalists. But any harmonization on value-added tax that penalizes the press should be opposed, newspaper editors agree. "When we look closely at the differences in our systems, especially for the post, we realize we are not on different planets, but in different solar systems," comments Alvin Sold, chairman of the Community of Newspaper Editors Association (CAEJ).

Barbara Cassese

Quotas / The American Response

### Wait-and-See Attitude Among U.S. Producers

The EC broadcasting directive approved in October has provoked a strong response from U.S. trade officials and the American entertainment industry.

While the directive was described as legally non-binding, the EC decision to endorse an effective ceiling on broadcasts of American films and television shows brought charges that the community had succumbed to blatant protectionism. U.S. Trade Representative Carla Hills termed the directive "outrageous."

The EC action, its supporters say, was designed to help Europe's culture withstand an avalanche of American programming. But in the United States, the directive is seen as threatening one of the few export sectors where there is a strong (\$2.5 billion in 1988) U.S. global trade surplus. Also, American officials see the directive as the embodiment of their worst fears about the 1992 project.

Yet, now that the dust has settled, it does not appear likely that the directive will sink the American-European relationship. The directive's endorsement of a 50 percent quota for European productions will not disrupt the current American market share, and demand for foreign programming is expected to rise in the years ahead.

The demand should come from new satellite stations and reduced restrictions on continental transmissions, which could double the amount of air time available by the middle of the next decade. U.S. sales, which ran about \$800 million in 1988, should climb steadily. "It's going to be hard to show damage," concedes a U.S. film industry source.

In fact, some members of the American film and television community believe the biggest danger would come from a tough U.S. response. David Stewart, director of international activities for the Corporation for Public Broadcasting, which funds public television stations and purchases independent television productions, fears U.S. moves that might disrupt cooperation between American and European public-sector broadcasters and producers. "At the moment, public broadcasting needs all the allies it can get," Mr. Stewart says.

Larry Sapadin, executive director of the Association for Independent Video and Filmmakers, says his group has not criticized the EC directive because it is not expected to have much negative effect on the sales of the association's members and may actually spur further collaboration between American and European independent producers.

One major American producer, Walt Disney Studios, has already decided to open animation studios in Britain and France and has formed a British production company to develop television programming for Europe. But Disney is also chafing under the heavy hand of existing French regulations that limit the presence of Disney productions on French TV. "France is rapidly becoming a 'no man's land' for American television products," says Disney Studios president Richard Frank.

Responding to complaints from the film industry, members of the U.S. Congress have sponsored several bills to protest the EC directive. U.S. trade officials met Dec. 1 in Geneva with their EC counterparts in the first of several sessions to discuss the directive under the auspices of the General Agreement on Tariffs and Trade (GATT), the body that regulates world commerce. "It's not just a commercial issue, but one of principle," says a U.S. official. "It [the directive] is a quota, and the first time an EC 1992 directive has limited access. We have no choice but to react."

The U.S. contends that the issue can be resolved in the GATT, but the EC argues that the rules of the organization do not really cover television films. GATT rulings on disputes between members are not binding, and in the past the United States has retaliated against trading partners who did not accept GATT decisions.

The former EC representative in Washington, Sir Roy Danman, has suggested that the American prohibition on foreign ownership of television stations shows that the United States recognizes the importance of maintaining national control over television broadcasting and thereby protecting cultural identity.

Steve Dryden

## Ingenious energy engineering clears the air.



ABB is the world's leading electrical engineering company. We help industry and utilities all over the world to generate, transmit and use electric power in ways that are economical with the earth's limited resources and compatible with the environment.

We invest continuously in the research and development of new techniques and systems for environmental control.

An example is our clean coal power plant based on a unique combustion technique. It is more efficient than any other coal power plant, and its environmental impact is far less.

Our air treatment systems are used for cleaning flue gases in power plants, and eliminating other emissions from all types of industrial processes, like the removal of particles and solvents from the air in automobile paint plants.

Our equipment is also used in highly sophisticated waste water treatment and water purification plants.

Our large-scale heat pumps efficiently recover electrical energy from waste water in pulp mills and other power-intensive industries.

ABB's century-old reputation as Europe's foremost electrical engineers continues to grow. We are determined to help clear the air — or into the 21st century.

**ABB**  
ASEA BROWN BOVERI

## GET A HEAD START ON EUROPE 1992 WITH FRANCE TELECOM



Europe 1992 will be full of opportunities. And France Telecom is ready today to help you meet the challenge head on. Connecting with France Telecom means accessing the world's most digitalized phone system. The largest packet switching data transmission network. The world's most extensive videotex system. And fully operational ISDN. Whether you need

leased lines, private or public networks, satellite links or fiber optic cable connections, we're ready with our European partners to develop the most efficient and cost-effective solutions to your communication needs. Bring a new dimension to your business with France Telecom. Where tomorrow's Europe is taking shape today.

**FRANCE TELECOM**  
UN AVENIR D'AVANCE

هكذا من أجل



# 1992 The World's Ready to Go with Europe

TV and Film / Linked Economies

## Coproductions: Maintaining Cultural Integrity

Film production and television production, once separate enterprises, are now inextricably linked, given the high cost of making the kinds of big-budget film projects that most modern audiences demand. And in Europe, where producers lack the resources of their Hollywood counterparts, coproduction and cofinancing agreements among several European countries are increasingly the only means of realizing ambitious projects.

The downside to this practice is that European coproductions among countries with vastly different cultures

Delors: "Culture is not a piece of merchandise"

and languages can result in films or television programs that — in an attempt to satisfy all funding partners and potential markets — can become bland mixtures. The industry term for such projects is Europuddings.

The intertwining of the economies of the TV and film industries is a double-edged sword. Some successful, critically-acclaimed films would never have been made without seed money from television channels — such as *My Beautiful Laundrette*, funded by Britain's Channel 4. But as Jean-Luc Renaud, fellow of the European Institute for the Media, points out: "TV financing provides valuable help for European producers, but is often denounced by film directors who object that their work is likely to consist more and more in the production of TV films, which will be aesthetically sanitized for mass viewing."

Additional problems can result when coproduction deals bring together two or more producers from vastly different cultures. Take a recent coproduction — *The Bum* — between Britain's Channel 4 and the German state-owned second channel, ZDF. Filming on the drama was set back at least six months as producers waded through two sets of legal and financial requirements. For the Germans it meant going straight to the banks for money and then filling out two-and-a-half pages of legal documentation. Their British partners, however, had to scrape together funds from private sources and then devise a 50-page contract.



A scene from Eurocops, with Jonathan Phillips (left) and John Benfield.

Other problems occurred during the initial production of Eurocops, a planned series of seven crime stories, each one to be produced by teams from a different European country. Shooting was delayed at the beginning by the need to have scripts translated into five different languages. Yet, to the surprise of all involved, one episode of Eurocops — shot by ZDF — eventually beat popular Miami Vice in the German television ratings.

The Eurocops series is one of the fruits of the European Co-Production Association (ECA), a partnership formed by seven European broadcasters in order to share the costs of productions. Paradoxically, this most European of production outfits was recently joined by an eighth member, the American network, CBS.

Through CBS Broadcast International, the network's overseas distribution wing, CBS took on the task of selling 50 hours of these coproductions around the world — but not without hurdling several cultural obstacles on the way. According to one CBS source, who spoke on the condition of anonymity, the Americans wanted to sign a distribution agree-

ment with a single organization but, he says: "Instead, we made rounds with seven different countries and seven different contracts. It took us an incredible 18 months to cross the t's and dot the i's."

Having finally secured the contracts, CBS is now faced with a fresh set of problems as it tries to market ECA programs to South America and U.S. cable networks. "Apart from the obvious difficulty of dealing in several different languages," the CBS source says, "there have been problems identifying foreign actors who are unknown outside their national boundaries and in translating the original titles, many of them idiomatic, for an international audience."

The ECA initiative, funded primarily by government-owned networks, has its private-sector analogue in production partnerships formalized last month among European media leviathans. The first deal, called Mercury, brings together Leo Kirch, who owns TV rights to many of the movies shown in West Germany, and the French network TF1, run jointly by the leader of the world's largest construction company, entrepreneur Francis

Bouygues, and British publishing magnate Robert Maxwell. The other as yet unnamed group teams up TF1 and Mr. Kirch with Italian media tycoon Silvio Berlusconi. Both groups will produce international miniseries.

With the explosion in program-hungry commercial channels, European producers are rushing in to fill those hours before Hollywood swamps the market. French President Francois Mitterrand noted recently that of the estimated 125,000 hours of television programs required in Western Europe annually, European producers provide only 20,000. The rest comes from Australia, Japan and of course the United States.

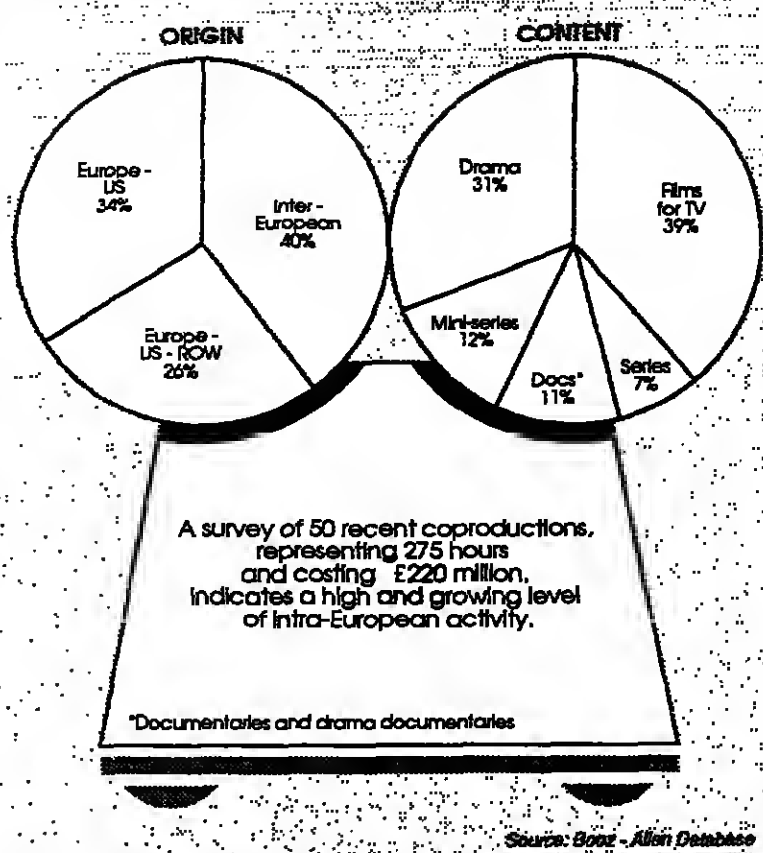
The U.S. Motion Picture Export Association reported 1988 sales of US\$1.8 billion in U.S. videos, TV programs and feature films to EC countries. This situation prompted the EC Commission to issue a non-binding directive in October encouraging European broadcasters to rely on "a majority of European programming where practical." If broadcasters comply, there will be an enormous need for European programs. Hollywood producers are beginning to work more and more with overseas partners to coproduce programs that would still qualify as "European."

Among recent Euro-American projects have been two for Turner Network Television, the U.S. cable channel. In return for U.S. broadcast rights, Turner paid half the \$9.5 million cost of an eight-hour series based on a U.S. reporter's experiences in Nazi Germany, entitled *The Nightmare Years*. The rest of the money came from broadcasters in Italy (RAI Uno), France (TF1) and Australia (Seven Network). Since the reporter in question, William Shirer, was American, none of the partners objected to American actor Sam Waterston in the lead role.

The real problems came in the second of the two Turner miniseries, entitled *Michelangelo: Season of Giants*. Because the painter/sculptor in question was a national institution, the producers had to tread very carefully to avoid offending the Italian partners, RAI. Nor could liberties be taken with historical facts to accommodate American viewing tastes.

"We made some early classic mistakes of coproduction," admits Liz

### International coproductions



Matthews, president of Consolidated Entertainment, the production company involved with both Turner miniseries projects. "While the American partner wanted to spice up the story, the Italians balked at having their history tampered with," she says.

In the end, a compromise was reached. An American actor, Mark Frankl, took the lead, and the problem of Michelangelo's "undramatic" social life (he spent much of his time working) was solved by adding Raphael and Leonardo da Vinci to the script.

The essence of a successful coproduction, Mr. Matthews says, is to include enough local elements from each producer's home country to make all partners feel the project is in some way their own.

This can mean concessions. In a U.S.-European coproduction, the star is more often than not American. But, adds Mr. Matthews: "It cannot be a current U.S. TV personality or a star of

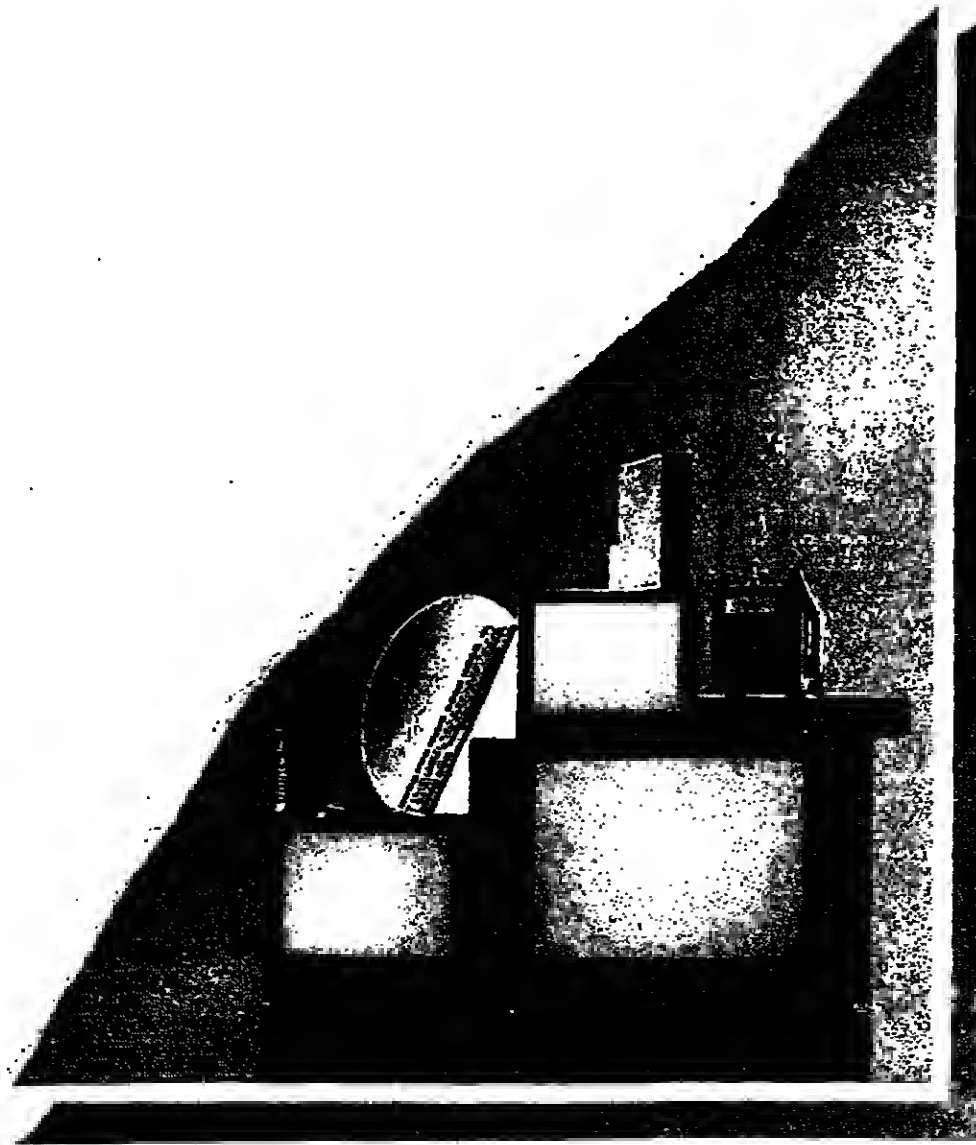
a daytime soap or a new sitcom, because no one in Europe will have heard of the name. That is why coproductions tend to be filled out with established acting figures from the United States and supported by European cameos."

These artistic compromises are far removed from the European film and TV cultural identity that Jacques Delors, president of the EC Commission, and his colleagues have been seeking to preserve with their directives on quotas and an estimated \$275 million in industry aid. "Culture," insists Mr. Delors, "is not a piece of merchandise — it cannot be treated like we treat refrigerators or cars."

Other Europeans disagree with the quota directives. "Quotas," Silvio Berlusconi said at a recent Cannes television industry festival, "compel Europeans to produce low-quality programs because they compel us to produce in quantity."

Colin Brown

## OUR PHILOSOPHY CAN BE SUMMED UP IN THREE WORDS: BETTER, BETTER, BETTER.



FOR NOKIA, IT'S PAID OFF. IN LESS THAN TEN YEARS, WE'VE BECOME ONE OF EUROPE'S LEADING HIGH TECHNOLOGY COMPANIES. IT TOOK IDEAS, IMAGINATION, HARD WORK AND ABOVE ALL, CONFIDENCE IN PEOPLE. BECAUSE IT WAS THE INDIVIDUAL PROGRESS OF OUR WOMEN AND MEN THAT HELPED US ADVANCE AS A COMPANY.

THEIR OBSESSION WITH EXCELLENCE, THEIR CONSTANT DRIVE TO DO BETTER CAN BE SEEN ON EVERY LEVEL. THEIR ABILITIES, COMBINED WITH THE QUALITY OF OUR PRODUCTS, HAVE MADE US A FORCE TO BE RECKONED WITH. IN MANY AREAS OF HIGH TECHNOLOGY.

THAT'S HOW WE BECAME EUROPE'S THIRD LARGEST MANUFACTURER OF TELEVISION SETS. TODAY, WE PRODUCE SUCH PRESTIGIOUS BRANDS AS ITT NOKIA, SALORA, GRAETZ, OCEANIC AND LUXOR.

NOKIA IS AMONG THE WORLD LEADERS IN MOBILE TELEPHONES, AN AREA WHERE A STRONG TELECOMMUNICATIONS BACKGROUND IS ESSENTIAL.

BUT WE'RE ALSO PARTICULARLY STRONG IN SATELLITE TELEVISION RECEIVERS, TV MONITORS AND CAR LOUDSPEAKERS.

WHAT'S MORE, WE'RE ONE OF THE TOP EUROPEAN MANUFACTURERS OF DATA PROCESSING EQUIPMENT AND COMPUTER TERMINALS.

WITH ANNUAL SALES OF 5 BILLION DOLLARS, AN IMPRESSIVE GROWTH RATE AND OVER 42,000 EMPLOYEES IN MORE THAN 30 COUNTRIES, WE'RE POISED TO TAKE EUROTECHNOLOGY TO THE VERY TOP.

**NOKIA**  
EUROTECHNOLOGY



# 1992

Advertising / Marketing Across Borders

## Tracking the Elusive Euroconsumer of the '90s

Asked whether there is such an animal as a Euroconsumer, Kenneth Miles, president of ISBA, the association of British advertisers, replied: "The short answer is — no."

The short answer is not the only answer, however, and even Mr. Miles, while skeptical, concedes that "in some ways, the answer is yes. Young people — in their teens and early

Middle-aged people are the least homogeneous

twenties — whether in Greece, Portugal, or Scotland, tend to have similar tastes in fashion, music and entertainment. They like fast food and soft drinks."

Drawing a somewhat Shakespearean picture of the European consumption pattern, Mr. Miles points out that over-65 European consumers also tend to resemble one another: "Their attitudes are conservative. They show a strong preference for the familiar. They require more service in their shopping. They tend to purchase small portions of food. Their household purchases tend to be similar."

This factor is of particular importance in a rapidly aging Europe. According to a 1986 UN/OECD study, by the year 2025, the over-60 population of Turkey is expected to grow by 374 percent; of the Netherlands, by 185 percent; Ireland, by 177 percent; during the same period, the 15-to-24 age group in Germany, for instance, should fall to about one-half its 1985 level.

It is what comes between the early and the late stages in the life cycle of European consumers that prompts

Mr. Miles' short answer. "The teens of today may be more homogeneous than those of the past, but across Europe, they will grow apart in their own particular ways. In Europe the pressure of history and geography is greater than anywhere else in the world," he says.

What is known about Euroconsumers? One of the most sweeping studies available was made by a Nuremberg research company, Gesellschaft für Konsumforschung (GfK), in conjunction with a number of other European research companies and the French Centre pour Communications Avancées.

The study was based on a survey of 24,000 West Europeans from 15 countries, including Austria, Scandinavia and Switzerland. The number of interviewees from each country was proportionate to the country's population.

Andreas Winkler, of GfK, says: "This was a study of behavior, not just of attitude. And what we found is that in Europe, what people actually do is different from what people say," an opinion that has long been held by baffled American visitors. According to Mr. Winkler, despite the occasional differences between preaching and practice, the survey showed a Europe by and large split into three major attitudinal and behavioral regions, which the survey labels "materialistic," "hedonistic" and "stabilized."

The "materialistic" model — procuring possessions that last — prevails in Belgium, Great Britain, the Netherlands, Norway and Northern Germany. Another, more "hedonistic" model — consumption of temporary pleasures, like restaurant meals



The variety of European consumers has created marketing dilemmas: which niche to target and what language to use?

— was typical of France and almost every major European megalopolis.

The third pattern grouping was termed the "stabilized" model — typified by conservative attitudes and behavior — found in Austria, Switzerland and the rest of Germany.

The study discerned a fourth and very distinctive model in Spain. Mr. Winkler says: "There is a big change going on in Spain. We found modern and progressive attitudes, and more traditional behavior that is changing to keep up with the attitudes."

Other research has provided other answers, though none offer as ambitious a pan-European consumer profile as the GfK survey. D'Arcy Masius Benton & Bowles has identified Golden Circles of wealthy consumers across Europe; Young and Rubicam

relies on what it calls "Cross-Cultural Consumer Characteristics," or the "Four Cs."

Despite all this brave new demographic analysis, the European consumer is extremely difficult to pin down. "1992 will make it easier to ship goods but harder to sell them," Peter Warren, head of European operations of Ogilvy & Mather, recently told the Financial Times.

"I would not, for the moment, even talk about European consumers," says Alain Grange-Cabane, Kenneth Miles' French counterpart, the CEO of the Paris-based Union des Annonceurs. "There are several reasons, even though lifestyles are converging. First, there are cultural differences; everyone in Europe drives, but the relationship between car and driver is

quite different in London from in Naples, especially if the driver is a male."

Mr. Grange-Cabane adds: "There are historical differences, and the influence of religion on consumption is just one instance among many. Countries like Benelux, France, Germany and Italy are much more developed than Greece, Ireland, Portugal and Spain; though, again, one can see the same gap between a consumer in Paris and a consumer in Auvergne, and those very differences are not that much greater than those between a farmer in Iowa and a yuppie in New York."

Mr. Grange-Cabane emphasizes the difficulty of predicting European development. "Food is still different — they don't eat the same things, they don't eat the same amounts and they don't eat at the same time. Look at Italian breakfasts and English breakfasts. We are starting to see a certain standardization in frozen foods, but even the marketing of detergents conceals pitfalls: the perception of cleanliness in northern countries is different from in southern countries."

Mr. Grange-Cabane points out: "There is a different awareness of the importance of insurance in northern and southern countries. Or look at banking — it has always been said that the French think only cold hard cash, but now they are the largest users of credit cards, after the United States. They wouldn't use checks, but they went straight from cash to plastic."

Mr. Grange-Cabane points out that even in cases where the same target consumer could be identified across Europe, there are a number of conditions that must be met before considering a pan-European campaign. He points out: "First, you must have the product in every market; second, it must have the same brand name; third, the consumption must follow the same patterns; and fourth, it must have the same positioning across Europe — if it is a leader in one market and a challenger in another, good-by a campaign. There are only a few brands that meet all these requirements: American Express, Coca Cola, IBM, Kellogg's, Renault — maybe 40 or 60 companies in all."

Mr. Grange-Cabane's conclusion? "Think globally, but act locally."

Further distinctions can be found in values and products. Giuseppe Minola, a vice president of Eurisko, an Italian demographic research firm, says, "In Italy, the fundamental value is still the family, and in Great Britain, the fundamental values are career goals. Even when we look at the same food across Europe — say pasta or beer — we may see radically different connotations and values in different countries."

Mr. Minola adds: "One thing is certain, though: the prospect (and reality) of a border-free Europe will increase the need for local rituals and myths. Furthermore, when a product contains a clearly recognizable and prestigious expertise from the country of origin — again, as in pasta or beer — that value must be emphasized."

Sergio Vione, international marketing director for Sipra, an agency that obtains advertising for state-owned

Rai television, agrees: "There will be two trends — first a tendency to broad marketing of low-cost, youth-oriented products like fast food; the second a fragmentation of markets for local, prestige products, just like in the fashion business: French *vins nouveaux*, for instance — a fiendishly clever marketing invention — or Patek Philippe watches."

Ernesto Piraino, of Privilege, a Milan marketing research firm, says: "In an impersonal marketing system, such as we are seeing more and more around the world, the important thing is to enrich the relationship between marketer and customer. This must be done by promising emotions. In America, the emotion that is promised is happiness in the near future. In Europe, one of the most successful marketing emotions is nostalgia for the way things were, a tradition of quality."

According to Mr. Piraino, the Euroconsumer is not only hard to identify, he/she is hard to persuade and very difficult to fool. "This is a consumer with two thousand years of tradition. This is a consumer that can identify advantages and disadvantages. In a supermarket in Bangkok, a hamburger is a hamburger, and yogurt is yogurt. Anything goes. In Italy, on the other hand, a brand of Greek yogurt is enjoying considerable success. And the reason is that Greek yogurt actually is the best yogurt. Products must have a true national seal of quality in Europe, and with that sort of seal of quality, you can market to Euroconsumers."

Mr. Piraino says that marketing will be done by television. "Television created Italy," Mr. Piraino says, referring to the elimination or leveling of sharp regional and linguistic differences over the past 20 years in Italy. He adds: "Television will make Europe. And language will become secondary, an accessory. If you show a Spaniard drinking red wine, you don't need language. Everyone in Europe will understand."

Giorgio Rossi, media director for McCann-Erickson, Milan, agrees to a certain extent with ISBA's Mr. Miles. "By classical social and demographic criteria, there is no homogeneous European consumer. But we must use new tools of measurement — a European identity exists and can be linked to styles of food and relationships to nature and leisure time, but we have not yet learned to tap that identity."

One of the problems, from Mr. Rossi's point of view, is the approach that media have been taking to European expansion. He feels that European media have been expanding to cover certain territories, but without any pan-European strategy.

"Take Elle, for instance," Mr. Rossi says. "There is a French edition, an English edition, a German, Spanish and Italian edition. But I can't place an ad in European Elle. I have to go and talk to each separate edition."

Mr. Rossi feels that it will be 15 years before there is a single European identity, but it is important to start planning for that identity now. "If we don't," he says, "we will be crushed by the forces of history."

Anthony Shugart

powerhouse ♦ success

dynamism ♦ potential

creativity ♦ prosperity

# Bavaria

The Quality Edge in the New Europe

internationality ♦ market access

culture ♦ satisfaction

efficiency ♦ performance

roots ♦ confidence

For success in the New Europe, quality of location is the decisive factor. The unique combination of values and strengths in Bavaria adds up to an environment of quality — in the broadest sense — matched by few anywhere in the world. Investors seeking these values and strengths will feel at home in Bavaria.

For an introduction to the vast potential Bavaria has to offer investors seeking quality edge in the New Europe, just get in touch with:

Bavarian Ministry for Economic Affairs and Transport  
Prinzregentenstr. 28  
D-8000 München 22  
West Germany  
Tel.: (089) 21 62 26 42  
Dr. Georg Orltisch



## Markets / The Countdown Continues

### Executive Views

"Even before the Berlin Wall fell, the perestroika train was picking up speed in the Soviet Union, Poland and Hungary. Then we had East Germany and now Prague, where it may move at horrendous speed. What we face is a major marketing opportunity as their leaders seek to rebuild their infrastructure, modernize and build up capacity and technology. Liberalization has created new expectations, and we, therefore, see the following promising areas: power generation and transmission, meaning electricity, the environment and transportation. But the OECD and EC countries will have to play a coordinated leading role on financing. Because no financing, no business. It will, in any case, be an uphill walk. Through joint ventures and dialogue we will find the catalysts to solve the problems."

Eberhard von Koerber  
Executive Vice President,  
Asea Brown Boveri

"Developments in Eastern Europe will slow rather than halt the 1992 process. A form of association with East Germany will allow West Germany to reconcile its commitments to West European integration and reunification. We are likely to see an acceleration of moves toward a single currency in an attempt to tie Germany in. Europe in 10 years time may well consist of two tiers — a politically and economically integrated core and a periphery of reluctant EC states (U.K. and Denmark), the EFTA countries and some from East Europe."

Bob Tyrrell  
Managing Director,  
Henley Centre, London

"The general Continental European LBO (leverage buyout) market, in comparison with the U.S. and U.K. markets, has not developed substantially as yet. France perhaps is the nearest to the U.K. in the development of the market; the eyes of the financial world are now very much on Italy and Spain; Germany is lagging behind. I say this because German banks appear to dominate the majority of in-

dustrial, and thus, it is difficult to develop the active market we have in other parts of Europe. Another area emerging in the LBO field in Europe is the acquisition of cross national subsidiaries, being sold by U.S. companies."

Michael Stoddart  
Chairman, Electra Investment Trust

"Our ability to adapt to new trade practices must equal the willingness of the Soviets. We must make constructive proposals, not just wait. We



Nokia's Simo Vuorio.

are already cooperating on the production side. Now we must find joint projects in the fields of marketing, product development, financing and personnel development as well. Of course there are special risks inherent in trade with the Soviet Union — but all business involves risks."

Simo Vuorio  
Chairman, Nokia Group

"You ask what will be the reaction in Budapest if leading multinationals bid on 50 Hungarian companies that may be privatized? We cannot resolve all our problems by ourselves. We are anxious to expand, restructure our economy. If you look at the history of colonialism, you will note that often it brought positive effects. This was not our case. But we are stable, and new capital is welcome."

Imre Pozsgay  
Socialist candidate for  
the Hungarian presidency

هنا من الأصل



# 1992 The World's Most Important Year for Europe

Publishing / A Cottage Industry?

## Books May Be Major Victim of Electronics Revolution

The future of the European book industry is full of uncertainty. If the experts are to be heeded.

A recent report commissioned by Thierry de Beaune, French secretary of state for international cultural relations, said the European book industry would change out of all recognition over the next five years.

Parallel imports an issue in English-language market

Electronics and video images will replace paper as the medium, specialist information will replace fiction and general non-fiction as subject matter, and English will be the main language.

Profit margins on books for a general readership will continue to be squeezed, and a wave of mergers will completely alter the corporate landscape, the report concluded. "Traditional publishing will become more of a cottage industry, made up of small companies earning low profits," commented the report's author Rémy Lillet, head of the foreign books department at French publisher Editions Flammarion.

Not everyone agrees. "Electronics will take over directories and other books containing repetitive information," according to Alexis Koutchoumow, secretary general of the International Publishers Association (IPA) in Geneva. But the shift will be gradual, as users have neither the equipment nor the cash to acquire the new equipment rapidly, he adds.

Moreover, although Mr. Koutchoumow expects some corporate mergers to take place, he believes books as we know them will remain a major force in the industry. In particular, he sees a healthy future for the creative small- and medium-sized publishers.

"They will have better opportunities than ever to reach the public through niches in the market," he says. These niches will be "more and more profitable," and will mean that smaller firms will have nothing to regret by leaving the electronics field to their larger counterparts.

The much-heralded concentration of publishers has moved more slowly than expected, at least until recently, according to Ian Taylor, public affairs director of the U.K. Publishers Association. "In 1988, the top five publishers in the U.K. accounted for 33.9 percent of the industry's turnover," he says. "In 1989, the top five accounted for 33.6 percent."

The biggest mergers have been trans-Atlantic, between the United States and the United Kingdom, keeping the action mainly in the English-speaking world. There have been further significant deals this year, but the

concentrations are often more apparent than real, Mr. Taylor says. "People do not always realize that when publishing operations change hands, it does not necessarily mean greater concentration," he adds.

Flammarion's Mr. Lillet, who visited all 12 EC countries for his study, also predicts bright days ahead for small, upmarket, specialist firms. But he is convinced that turnover will come more from electronics and other new products than from paper.

In recent years, books have been an even greater victim of electronics than the printed press, the French report said. Everywhere in Europe, the cultural explosion has benefited images (television and video), sound (discs, cassettes and hi-fi systems) and "outings" (theaters, museums, and discotheques). Major publishers, such as Robert Maxwell's Pergamon in the United Kingdom and Wolters-Kluwer and Elsevier in the Netherlands, are already responding to the demand for more focused information by setting up data banks and telematics systems, and reversing their decline into the bargain, Mr. Lillet notes.

The development of the European market is not helped by the U.K.'s "provincialism," as Mr. Taylor calls it. His lament is that only a few foreign titles make it into English, and few translated authors reach the U.K.'s

best-seller list. "The sales track record of translations has been dismal," he says. Traditionally, British publishers have had exclusive marketing rights on their own territory, leaving mainland Europe open both to them and their U.S. competitors. This has created a contradiction under EC law: intellectual property rules allow exclusive territorial rights, but this principle does not jive with the concept of EC free trade.

The British, particularly vulnerable to competition from U.S. editions, are lobbying hard for the EC Commission in Brussels to exempt them from standard EC competition rules based on the free circulation of goods. The commission has not budged on the question so far, and the U.K. Publishers Association plans to submit a second plea before the end of this month.

As for marketing considerations, it remains to be seen whether American publishers will keep the rights for their books in continental Europe or whether they will sign them over to British houses, the IPA's Mr. Koutchoumow says. "I think wisdom will prevail, and that the choice will be the publisher who is best placed for the task — in most cases, that will be the British," he adds. Publishers with both U.S. and U.K. operations — such as Simon and Schuster, Penguin, Reed International and McGraw Hill — will contin-



The French Revolution on videodisk, published by Pergamon Press with the Bibliothèque Nationale, Paris.

ue to carve up the world market according to sales networks, although there is a tendency to give the hard-cover edition to the British division and the paperback to the U.S. one.

Harmonization of value-added tax is another issue awaiting a solution, as is retail price maintenance (RPM) — set sales prices for each market. The EC commission does not object to RPM — currently applied by 10 EC countries — but says such systems must not cross borders.

Barbara Casasus

Briefs / Corporate Strategies

## New Links Across Cultural Gaps

A new merger-control law currently under discussion by the EC Commission should be approved by member governments at the end of the year, according to Jim Currie, chief of staff for Leon Brittan, the British commissioner in charge of competition policy. Speaking at a recent conference cosponsored in London by the International Herald Tribune and Skadden/Aps, a New York law firm, Mr. Currie said that a key element in the commission's proposal is establishing threshold levels above which the EC would intervene. "Thus, we have proposed a final, global turnover threshold of ECU 2 billion, after an initial transitional period up to the end of 1992 during which the threshold would be set at 5 billion ECU," he said. The ECU threshold would be revised every four years.

A surprising 45 percent of 350 chief executives of American companies recently surveyed said that their presence in Europe is not sufficient for competing effectively after 1992. Only 38 percent said they had "sufficient European presence," according to the Conference Board, a Brussels-based research and conference organization. "While some of the respondents head companies that are not likely to have active business interests in Europe, it's clear that many American companies do not see themselves as ready to compete in a post-1992 Europe," says Preston Townley, the board's chairman.

A group of the EC's 12 most important electronics companies has urged the EC Commission and member governments to "ensure balance of access and fair competition" between the Common Market and its main trading partners, primarily the United States and Japan. In a recent white paper, the European Information Technology Industry Roundtable urged that the concept of "European domestic industry" should be made comparable with the same concept used in the implementation of U.S. legislation.

The group also called for reorienting the EC's research and development programs toward "gaining competitive advantage."

The member companies include AEG, Nixdorf, and Siemens of West Germany; Alcatel, Bull and Thomson of France; GEC and Plessey of Britain; Olivetti of Italy; and Philips of the Netherlands. "Our purpose is building more support for EC-based thinking in our strategy and action against our competition in North America and Asia," a member executive says.

Who are the true work-aholics among EC executives? According to a survey of 353 executives by Young & Rubicam, the U.S. advertising group, West German executives are at the top of the list, working 56.1 hours per week on average, lunchtime excluded. The Dutch are next (51.5 hours) followed by the French (51.2 hours), the Spaniards (50.2 hours) and the Italians (50.0 hours). Generally, the report showed, the greatest number of EC-based company executives arrive at their offices at around 8 a.m. and leave around 9 p.m.

Other results from the survey: one out of two executives has a computer terminal. All the Dutch executives surveyed read English, compared to two out of three French executives and only one out of two Germans. About 94 percent of the British executives had a company car, compared with only 49 percent on average throughout Europe. One Dutch executive out of three claims to exercise each morning. About 27 percent of the British said they avoided eating at lunchtime, or only ate a sandwich at their desk, while the Italians, Spanish and French spend more than 1.5 hours eating lunch each day.

France Telecom, as part of its international expansion, announced the opening of a Brussels office. Marcel Roulet, director general, said the new office would "interface" with all other France Telecom offices in Europe. The move is also a way of strengthening international strategy amid expansion of telecommunications in Europe. The first foreign office was established in New York a decade ago, followed by Tokyo, Beijing, London,



Alcatel's TDF-1, a new broadcast antenna.

Caracas, Singapore, Jakarta and Bonn.

In a move to strengthen their respective worldwide positions, Alcatel and Aerospatiale of France have announced plans to merge their satellite activities. The move is aimed at strengthening future cooperative ventures with non-French companies. Their activities in the field are already complementary. Aerospatiale designs and builds satellite platforms, complete satellites and optical payloads. Alcatel supplies communications payloads and telecommunications systems.

Major Western consulting firms are rushing into Eastern Europe and the Soviet Union and, according to International Management magazine's December issue, business there is booming. The most active firms include Ernst and Young, KPMG, Price Waterhouse and Arthur Andersen, the magazine said.

Italian Media / Monopoly Feared

## Battle for Control of Italian Media Empire

If Silvio Berlusconi, the Italian broadcasting mogul, succeeds in his battle to take control of Arnoldo Mondadori Editore SpA — Italy's largest publisher, with annual sales of \$1.75 billion — he will thus account for some 45 percent of the country's \$5.5 billion advertising market, over 40 percent of television broadcasting, as much as 35 percent of weekly magazines, and 16 percent of daily newspapers (including the country's second biggest daily, *La Repubblica*).

Carlo De Benedetti, the Italian financier and CEO of Olivetti who holds 42 percent of Mondadori's capital, is Mr. Berlusconi's main foe in the battle for control of Mondadori. Mr. De Benedetti announced on December 9 a special shareholders' meeting to be held on January 26, apparently for the purpose of increasing the company's capitalization as a prelude to his gaining a dominant share.

On Monday this week, AME Finanziaria SpA — which controls Mondadori and supports Mr. Berlusconi — countered by ex-

posing the current Mondadori chairman, Vittorio Ripa di Meana (a De Benedetti supporter), and replacing him with Fedele Confalonieri, a Berlusconi ally. The AME board also scheduled a January 15 shareholders' meeting to preempt the later session called for by Mr. De Benedetti.

Mr. De Benedetti is sounding a political note in his opposition to Mr. Berlusconi's control of the company. If the largest broadcaster in Italy takes over the largest publisher, Mr. De Benedetti said at a news conference early last week, "Italy will become like Brazil, the only country in the world where one group, Marinho, controls both the television and the press."

Though Mr. Berlusconi is unquestionably a formidable figure in Italy's media market, he is not the country's only media giant, especially not where newspaper is concerned. Rizzoli-Fiat, Italy's second-largest publisher (Rizzoli Corriere della Sera, or RCS), controlled by Italy's largest single company (Fiat), al-

ready owns 23 percent of the country's daily newspapers (including top-selling *Il Corriere della Sera*), 19

percent of the weekly press, and 11 percent of the advertising pie.

A.S.



## DEADLINE 92 A frontier-free Europe

The Commission of the European Communities is publishing a series of publications designed to help people understand and come to terms with the changes which will soon be taking place.

- ☐ COMMON STANDARDS FOR ENTERPRISES 79 pp. 9 ECU
- ☐ THE SINGLE FINANCIAL MARKET 53 pp. 6 ECU
- ☐ THE ECONOMICS OF 1992 222 pp. 16 ECU
- ☐ CREATION OF A EUROPEAN FINANCIAL AREA 212 pp. 16 ECU
- ☐ A GUIDE TO WORKING IN A EUROPE WITHOUT FRONTIERS 253 pp. 18.50 ECU
- ☐ FREEDOM OF MOVEMENT IN THE COMMUNITY 69 pp. 7.50 ECU
- ☐ THE SOCIAL DIMENSION OF THE INTERNAL MARKET 115 pp. 4.20 ECU
- ☐ 1992: THE EUROPEAN SOCIAL DIMENSION 119 pp. 9.75 ECU
- ☐ INDIVIDUAL CHOICE AND HIGHER GROWTH 56 pp. 6 ECU
- ☐ TELECOMMUNICATIONS IN EUROPE 259 pp. 10.50 ECU
- ☐ THE INTERNAL ENERGY MARKET 59 pp. 12.70 ECU
- ☐ MAJOR THEMES IN ENERGY 62 pp. 12.70 ECU
- ☐ COMMUNITY PUBLIC FINANCE 116 pp. 10.50 ECU
- ☐ THE COMMUNITY BUDGET: THE FACTS IN FIGURES 103 pp. 10 ECU
- ☐ THE COMPLETION OF THE INTERNAL MARKET 305 pp. 25.50 ECU
- ☐ PANORAMA OF EC INDUSTRY 1989 710 pp. 21 ECU
- ☐ GUIDE TO THE REFORM OF THE COMMUNITY'S STRUCTURAL FUNDS 104 pp. 11.25 ECU
- ☐ EMPLOYMENT IN EUROPE 1989 176 pp. 11.25 ECU
- ☐ EUROPE IN FIGURES 64 pp. 6 ECU
- ☐ 1992 AND BEYOND 95 pp. 8 ECU

Also available:

INFO 92, The Commission of the European Communities database focusing on the objectives of the Single Market

Please telephone our Help Desk on +32(2) 235 00 01 or 235 00 03

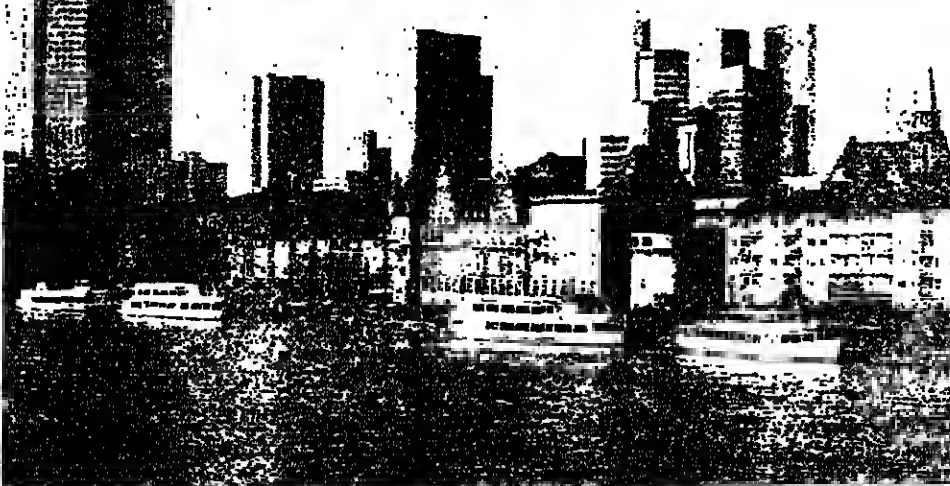
ORDER FORM TO BE SENT TO: Office for Official Publications of the European Communities Department I-IT 2 rue Mercier L-2985 Luxembourg

Please send me the publications I have indicated above

Name \_\_\_\_\_ Address \_\_\_\_\_

Prices (excluding VAT and postage) in Luxembourg. Exchange rate as at 1.12.89: 1 ECU = £ 0.71

## COMPANIES ON THE MOVE PREFER FRANKFURT



Companies on the move know from experience that the chances of doing business profitably are greatly improved if they operate from a base that is also on the move.

That's why so many domestic and international companies have selected Frankfurt, West Germany, which is firmly established as:

- An innovative decision-making center
- A thriving local economy
- West Germany's financial center
- The gateway to regional, national, and world markets.

Frankfurt is a city whose prominence in banking and business enables bottom line oriented companies to get things

done. A city, where innovation flourishes and resourcefulness is rewarded. And where Continental Europe's biggest airport provides ready access to global markets.

If your company is on the move internationally, you'll feel at home in Frankfurt. Make the first move by writing today for a complimentary copy of our information brochure "Frankfurt. Preferred by decision-makers."

Wirtschaftsförderung Frankfurt GmbH Grüneburgweg 102, 6000 Frankfurt am Main 1 Federal Republic of Germany Tel.: 069 21236-226, Telex: D 4170059 Telefax: 069 21236-230

STADT FRANKFURT AM MAIN  
— Preferred by decision-makers. —



## Telemarketing Network Europe

Your direct access to Europe:  
Market Research  
Information  
Consultancy  
Telemarketing  
Lists  
Fulfillment

Members in 14 countries

We are where you need us

Call: (+31) 55.22.11.44

Fax: (+31) 55.21.22.13

Netherlands

Colin Brown is a New York-based free-lance writer specializing in media topics.

Barbara Casasus is a Paris-based free-lance writer.

Steve Dryden is a Washington D.C.-based writer specializing in trade issues.

Timothy Harper is a London-based American journalist and lawyer.

Axel Krause, IHT corporate editor, is supervising the 1992 series.

Anthony Shugart, a Milan-based free-lance writer, reports on the Mediterranean region for various publications.

The next installment in the 1992 series will appear in March and will focus on information technology.



## SPORTS

## 49ers' Taylor Cited For Beating Rams

Compiled by Our Staff From Dispatches  
**NEW YORK** — John Taylor of the San Francisco 49ers, who became the first player in National Football League history to catch two touchdowns passes of more than 90 yards, was named Wednesday as the National Conference's offensive player of the week.

That was unlikely to make the Los Angeles Rams feel any better. Joe Montana, playing with

## PRO FOOTBALL

bruised ribs Monday night, threw for a team record 458 yards as he and Taylor rallied the 49ers from a 17-point deficit with 10 minutes left and beat the Rams, 30-27, in Anaheim, California.

In boosting the NFL's best record to 12-2, the 49ers clinched their fourth straight NFC West Division title — and sixth in seven years — and secured the home-field advantage throughout the conference playoffs.

Montana, who needed a cortisone shot before the game, and Taylor, the two who combined for the winning points in the 49ers' Super Bowl victory last January, may have outdone themselves against the Rams.

Montana completed 30 of 42 passes for three touchdowns and two interceptions. Taylor caught 11 passes for a team record 286 yards, scoring on plays of 92 and 95 yards.

Montana, now 8-0 as a starter at Anaheim Stadium, said, "Taylor had a great day — and that's putting it mildly."

The 49ers trailed by 17-0 with 12 minutes gone in the game, still trailed by 17-10 at halftime, then fell back to 27-10 in the fourth quarter. Roger Craig finally put them in the lead for the first time, 30-27, with a one-yard touchdown run with 3:42 left, less than three minutes after Los Angeles' Ron Brown had fumbled the half away on a kickoff return.

It was the Rams' second turnover in a 26-second span. The first led to Taylor's 95-yard score.

The Rams failed to clinch a playoff berth and had a four-game winning streak snapped.

"Anyone that says we blew it doesn't understand the team we played or the kind of game it was," said the Rams' coach, John Robinson.

The 49ers' first touchdown came after the Rams failed a field goal on a play that failed in the second

quarter. Shortly after holder Pete Holohan was stopped inches short of the goal line on a run, Montana and Taylor connected on their 92-yard play to make it 17-10.

Trailing by 27-10 after Mike Lansford's second field goal of the game with 13:34 left, the 49ers marched 66 yards in six plays, with Montana finding Mike Wilson in the end zone with 10:04 left.

The Rams threatened to go up by 17 for a third time when, aided by a 36-yard pass interference penalty against Don Griffin, they marched to the 49ers' four. But quarterback Jim Everett fumbled a snap and Matt Miller recovered for the 49ers.

On the next play, Taylor caught Montana's pass along the right sideline, picked up several blocks and ran 95 yards to score.

Steve Largent of the Seattle Seahawks, who caught a 10-yard TD pass during Sunday's 24-17 victory over Cincinnati, setting an NFL record for touchdowns passes with 100, was selected as the American Conference offensive player of the week.

(UPI, AP)



John Taylor, eluding the Rams' Vince Newsome on the 95-yard touchdown, also scored from 92 yards. He made 11 catches for 286 of alling Joe Montana's 458 yards passing.

## Eagles Ban Beer After Snowballing Schembechler Seems Set To Step Down as Coach

**PHILADELPHIA** — The Philadelphia Eagles and the city have banned beer sales in the stands at the last regular-season game and any playoff games this year, but alcohol will be allowed in luxury boxes.

"It may be discriminatory, but it's legal," the city solicitor, Seymour Kurland, said Tuesday following the snowball and ice-throwing that marred Sunday's game against the Dallas Cowboys. "Skyboxes don't pose the same safety issue that is posed by the people in the stands."

Alcoholic beverages at tailgate parties around the stadium were totally banned. It was not decided whether the bans will continue next year.

At least six arrests were made Sunday and dozens of fans were ejected from the stadium. A few people were slightly injured.

The snowball attacks worsened as the game went on. The Cowboys may have been the primary targets, but snow and ice hit officials, cheerleaders and others sitting in the line of fire.

As the Cowboys left the field after their 20-10 loss, snow, ice and beer were poured on them. A policeman guarding the Dallas coach, Jimmy Johnson, was hit in the face and was treated by team trainers.

The Eagles said nearly 70 fans thrown out of the stadium will lose their season tickets.

**DETROIT** — Bo Schembechler, college football's winningest active coach in Division I-A, apparently will step down after Michigan's Rose Bowl game against Southern California on New Year's day.

He would remain as the Wolverines' athletic director and, apparently, promote an assistant, Gary Moeller, to head coach.

Schembechler, who has coached the Michigan team for 21 years, was out of his office Wednesday, but a news conference was called for later in the day.

Doctors have been urging Schembechler to step down for health reasons. He has undergone two heart bypass operations.

The matter of Schembechler's retirement from coaching popped up in a sociology seminar Monday, in response to a question about the \$12.5-million Center of Champions building which is to open next fall on the Ann Arbor campus.

"Bo was talking about how plush the building would be, including the coach's office, and Bo said that he would never use the coach's office there, and that there would be a different coach then," one of the students at the seminar said. "Another student asked him who his successor would be, and without thinking he said, 'Gary Moeller.'"

Schembechler, 60, whose third-ranked Wolverines won their second straight Big Ten title this season, has a record of 234-64-8. That ranks him first among active Division I-A college coaches in victories and fifth on the all-time list.

**Florida Seeks Spurrier**  
 Steve Spurrier, the coach at Duke, has been offered the job of coaching the Florida Gators, the Tampa Tribune newspaper reported Wednesday.

Florida's athletic director, Bill Ammerger, confirmed having offered the job to the school's former Heisman Trophy winning quarterback, but told The Associated Press that Spurrier "has not accepted."

Duke, 8-3, tied for the Atlantic Coast Conference title this year. Florida was 7-4 under Gary Darnell, who became interim coach when Gaten Hall resigned Oct. 8 after admitting violating NCAA rules.

Spurrier also has been interviewed by the Atlanta Falcons and the Phoenix Cardinals of the National Football League. Duke recently offered him a new contract.

**Navy Fires Coach**  
 The Naval Academy has fired its football coach, Elliot Uzelac, just two days after ending its season the best way possible, by beating Army, The Washington Post reported.

Uzelac's dismissal in the third year of a four-year contract came after a unanimous vote by the academy's athletic board of control.

Although Saturday's 19-17 victory over Army was Navy's first over its arch rival in four years, it ended the season at 3-8. Overall, Uzelac had an 8-25 record.



Uzelac: To remain as coach.

## NCAA Puts N.C. State On 2 Years Probation

Compiled by Our Staff From Dispatches

The National Collegiate Athletic Association has put the men's basketball team at North Carolina State University on probation for two years for violating rules involving the sale of complimentary tickets and shoes during the past four seasons.

The sanctions preclude the Wolfpack, ranked 16th in this week's Associated Press poll, from playing in the NCAA or National Invitation tournament.

Jim Valvano, who resigned as athletic director as a result of an internal investigation, said that he would stay on as the team's coach and that his players accepted the blame for the sanctions.

Valvano maintained that he had no knowledge of any violations. "We did not have any individual in any level of our department who intended to violate any rule, but we did not have in place the proper procedure to ensure that no rules would be violated," he said Tuesday after the sanctions were announced.

The NCAA investigation, sparked by allegations detailed in the book "Pleasure Fools" said that in the four years examined "there were as many as 650 erroneous designations of tickets intended for players' families and that an excessive number of shoes were issued with little or no effort to keep track of the shoes."

Tickets were sold or exchanged for merchandise valued up to \$150, the NCAA said. The shoes, valued at \$75 a pair, were sold or exchanged at a local sporting goods store for other shoes and apparel.

Cris Corchiani, a junior guard, said, "We can't condone what we did. We're the ones to blame. We made mistakes, and we'll have to pay for them."

The NCAA's infractions committee said that although North Carolina State did not gain "a competitive advantage" from breaking the rules, the case was "major" because of the lack of institutional control or monitoring and because the violations are "not isolated or inadvertent."

Harsher penalties, including a ban from television, were not imposed because the school understood its own corrective and punitive actions, said Charles Smith, director of infractions for the NCAA.

The school's self-imposed sanctions include no off-campus recruiting for a year, no paid recruiting visits for a year and a limit of 12, instead of the customary 15 basketball scholarships during the next two academic years.

The Atlantic Coast Conference voted Tuesday to allow N.C. State to participate in its postseason tournament.

**NCAA Probes Illinois**  
 A University of Illinois official said NCAA investigators have visited the campus to investigate an allegation that freshman Deon Thomas was offered a car to attend the Big Ten school, United Press International reported from Champaign.

Thomas, named the state's Mr. Basketball after leading Simeon High School of Chicago to 28 straight victories, is not playing this season while the charges are investigated.

## 2 Teams in NFL Playoffs, 16 in Race for a Spot

The Associated Press

**NEW YORK** — With two weeks left in the NFL season, the playoff races have come down to the following teams:

## NFC EAST

**Philadelphia (10-4):** Tied with New York for first place, the Eagles have the tiebreaker advantage because they beat the Giants twice this season. If the Eagles win their last two, against New Orleans and Phoenix, all the Giants can hope for is a wild-card berth.

**New York (10-4):** The Giants are in good shape for a wild-card berth. To be ousted, they would have to lose their last two, against Dallas and the Los Angeles Raiders, and Green Bay would have to win its final two, against Chicago and Dallas. Even then, the Giants could make it if the Los Angeles Rams lose their last two, against the New York Jets and New England.

**Washington (8-6):** The Redskins can get a wild-card spot if they win their last two, against Atlanta and Seattle, while the Rams lose their last two and Green Bay loses one.

## NFC CENTRAL

**Minnesota (9-5):** The Vikings need only one victory, against

Cleveland or Cincinnati, or one Green Bay loss to win their first division title since 1980. For a wild-card, the Vikings have an edge in a tiebreaker because of a better division record.

**Green Bay (8-6):** To qualify as one of the two NFC wild-card teams, the Packers must win their last two and hope that either the Eagles, Giants or Rams lose their last two. The Rams would edge out the Packers if both finish 10-6 because they beat Green Bay during the regular season.

## AFC EAST

**San Francisco (12-2):** The 49ers have clinched the division championship and the home-field advantage throughout the playoffs.

**Los Angeles (9-5):** The Rams, if they win their last two, will reach the playoffs as a wild card.

## AFC WEST

**Buffalo (8-6):** The Bills are tied with Miami, but have the advantage of having swept the season series. The Bills have games left with the 49ers and the Jets.

**Miami (8-6):** The Dolphins need two victories, over Indianapolis and Kansas City, to assure themselves of a playoff berth but are

being pressed by the Colts and Chiefs as well as Cleveland, Cincinnati, Pittsburgh and the Raiders.

**Indianapolis (7-7):** The Colts, who play New Orleans in their last game, would have the tiebreaker advantage over the Dolphins because of a better conference record.

## AFC CENTRAL

**Houston (9-5):** The Oilers need only a split of their last two, against Cincinnati and Cleveland, to win their first division championship. If they win both, they have a chance for the home-field advantage throughout the AFC playoffs.

**Cleveland (7-6-1):** The Browns can make the playoffs if they win their last two and either the Raiders, Bills or Dolphins lose at least once. If the Browns finish tied with the Oilers, they would have the better overall division record.

**Cincinnati (7-7):** The Bengals must win their last two, against Houston and Minnesota, and hope the Browns lose to Minnesota, then the Oilers lose to the Browns. If Cincinnati and Houston tie at 9-7, the Bengals would have the better division record.

**Pittsburgh (7-7):** The Steelers,

who face New England and Tampa Bay, cannot win the division.

In two-way ties for a wild-card berth, they would lose to the Oilers and the Bengals because of head-to-head competition and to the Bills, Colts and Raiders because of conference record. They cannot tie the Browns or Chiefs but would win the tiebreaker against the Dolphins because of their victory over Miami.

## AFC WEST

**Denver (10-4):** The Broncos clinched the division title two weeks ago and will host a divisional playoff game on Jan. 6 or 7. They can get the home-field advantage throughout in the AFC playoffs with one more victory, either at Phoenix or San Diego.

**Los Angeles (8-6):** The Raiders can qualify as a wild card, based on overall record, by beating Seattle and the Giants.

**Kansas City (7-6-1):** The Chiefs can get a wild card by beating San Diego and the Dolphins if either the Browns or the Raiders lose once. Then, the Chiefs would have the better overall conference record.

**Seattle (8-6):** The Seahawks will be eliminated if they lose to either the Raiders or the Redskins.

## BOOKS

## THE HONEST RAINMAKER: The Life and Times of Colonel John R. Stingo

By A.J. Liebling. Foreword by Garrison Keillor and Mark Singer. 159 pages. Paperback, \$9.95. North Point Press, 850 Talbot Avenue, Berkeley, Calif. 94706.

Reviewed by Jonathan Yardley

A. J. LIEBLING was an uncommonly gifted journalist who wrote for The New Yorker when that magazine was in its prime and who dealt in matters now rarely encountered in its pages: food and drink consumed to exuberant excess, newspaper barons and Southern politicians, pugilists and gamblers, con men and marks. His prose could be crystalline or baroque according to the circumstances, as could his mood be waspish or ebullient; but he was always a master reporter, a man who loved to go forth into the world and ferret out its surprises.

In all he was a wonder, and innumerable readers still miss him more than a quarter-century after his lamentably early death. Liebling, though, isn't going down without a fight: several collections of his work remain in print, and North Point Press has undertaken a project to bring more of them back.

"The Honest Rainmaker" is the second of four Liebling titles that North

Point plans to republish. It is, as its subtitle says, "The Life and Times of Colonel John R. Stingo," alias James A. MacDonald, a sporting journalist, race-track habitué, bon vivant and small-time hunko artist who bungled around Manhattan in the first half of the century.

Liebling first encountered Stingo's column, "Yea Verily," in the early 1940s in a peculiar newspaper called the New York Enquirer and immediately "recognized this as notable prose"; eventually he tracked down the colonel in his lair at the Hotel Dixie, hard by Times Square, and entered into the series of exceedingly circumlocutory conversations that eventually produced this exceedingly digressive book.

"The Honest Rainmaker" can be great fun if taken in small doses. There's an agreeably Runyonesque flavor to it, though devoid of the affectively streetwise tone that was Runyon's stock in trade; these are tales of the guys and dolls of Broadway, of comically outrageous stings that never really seem to have hurt anyone, of lavish feasts in grand surroundings and whiskeys and beers in Times Square saloons.

There's much talk herein of the various scams in which the colonel claimed to have participated — Professor Joseph Canfield Hatfield's Rain Precipitation Corporation, for example, or Harry Brodsky's Great American Hog Syndicate — but as one of the colonel's intimates told Liebling, "Jimmy MacDonald has been playing cops and robbers all his life. He

likes to think of himself as a Robin Hood, but he is really a Santa Claus." In Stingo, Liebling found a soul mate — or, more precisely, a table-mate. Both men loved food and drink, not merely for consumption but for conversation. "Stingo," the colonel once told Liebling, "like the lobster, tastes best when fresh from the ocean, a truth which we have forgotten since repeal."

A few pages later he divulged on the subject of fitness:

"Like most people of pronounced seniority he reads the obituary pages with attention, and had a morning of quiet triumph last winter when two insurance shysters, a past president of the Actuarial Society of America and the vice-president of a major company, died on the same day, aged 62 and 54 respectively. 'I bet they avoided excitement, late hours, high blood pressure, tasty food and intoxicating liquors and had themselves periodically examined with stethoscopes, fluoroscopes, spectoscopes and high-powered lenses,' the colonel said. 'The result was inevitable and to be expected, the result of a morbid preoccupation. The anxious fiddler drops the ball.'"

Well, Liebling asked, what about "the vigorous old age attained by Mrs. Ella Boole, past president of the Woman's Christian Temperance Union, who recently passed on in her 94th year?" "She must have been a secret tippler," the colonel replied.

Jonathan Yardley is on the staff of The Washington Post.

## BRIDGE

By Alan Truscott

At the Fall National held last month in Lancaster, Pennsylvania near solutions to a grand slam bid were uncovered at two different tables in Flight A. Stratified Pairs. Mike Cappelletti of Alexandria, Virginia, one of the country's leading players, found himself defending six spades after he opened with a preemptive bid of three diamonds. Six spades might seem a lay-down as the cards lie with nothing but one trump to lose. But the picture changed abruptly when Cappelletti made the diabolical opening lead of the club five. South captured the jack with the ace, cashed the ace of trumps and finessed the jack. He won the heart return, drew the missing trump, and turned his attention to clubs. Not unnaturally, he believed that the opening lead was a singleton, so he finessed the nine and was chagrined to find that he had failed in a lay-down slam. At another table, in the Flight C event for players with fewer than 300 master points, an ambitious contract of seven clubs was reached from the North side of the table by Jeffrey Damm and Henry Shumfield of Sayre, Pennsylvania. When the heart jack was led, South won with the ace and drew trumps in two rounds. He then entered his hand with a third round of trumps, finessed the heart eight successfully and cashed his remaining high heart. Finally he crossed to the dummy with a spade to the king and used the diamond ace and the heart queen to discard his two potential spade losers, making the grand slam.

Both sides were vulnerable. The bidding:

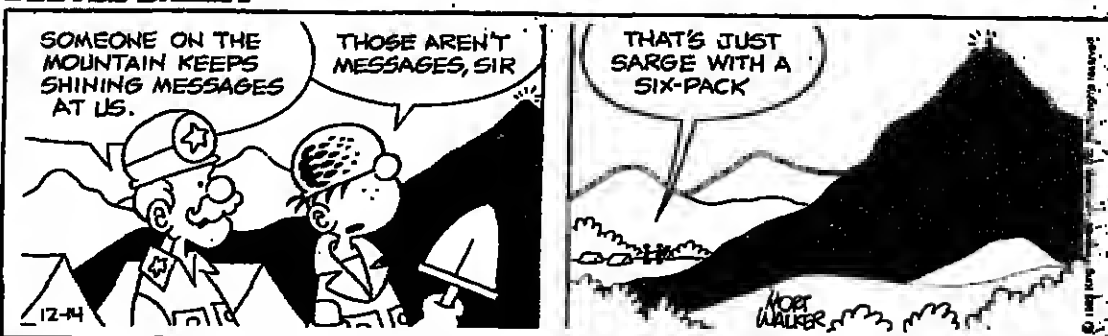
NORTH		EAST	
4	♠ 3	4	♠ 10
3	♠ 932	3	♠ 10 6 4
2	♠ Q	2	♠ K 10 9 8 7 6 5
1	♠ 8 5 7	1	♠ J 8
			♠ A 7 4
			♠ K 9 4 3 2

West led the club five.

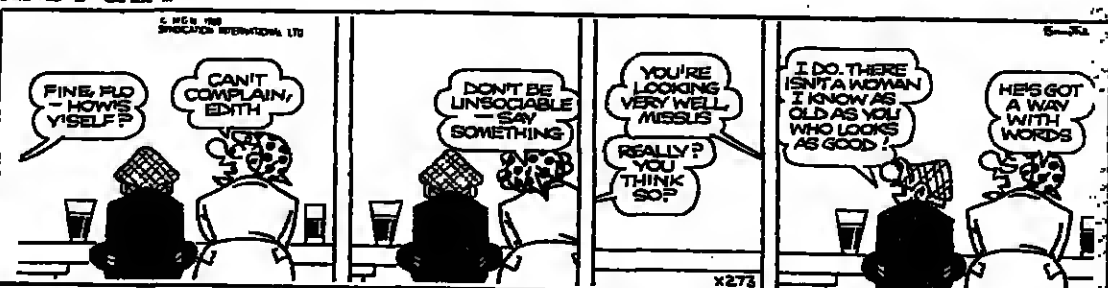
## PEANUTS



## BEETLE BAILEY



## ANDY CAPP



## WIZARD of ID



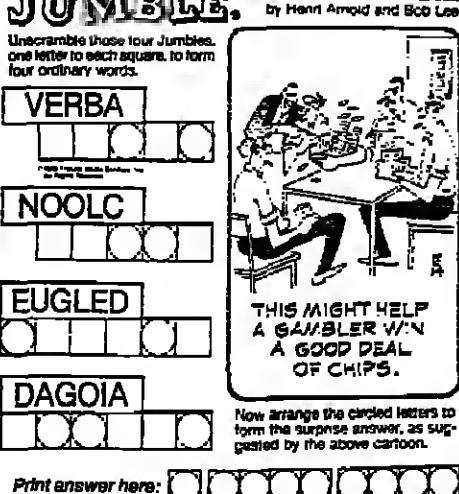
## REX MORGAN



## DENNIS THE MENACE



## JUMBLE



Print answer here: \_\_\_\_\_

(Answers tomorrow)

## BLONDIE



"I'D LIKE TO HAVE MY OWN COOKIE JAR."

Tuesday's Jumble: HOARD PIKER TONGUE INHALE. Answer: Why the business owner decided to run for office—SHE HAD NOTHING TO HIDE.

هكذا من الأصل



## SPORTS

## East Germany's Sports System May Be on Its Last Laps

By Michael Janofsky

New York Times Service

BERLIN — Inside the Gymnastics and Sports Club of Berlin, life seemed as normal as ever.

A men's volleyball team practiced under the watchful eyes of its coach. A group of pre-teenage boys played soccer, four-on-four. Five little girls pranced through the moves of a gymnastics routine they will perform Saturday as part of the club's Christmas show.

One would never know that outside the complex and beyond, a country was in the midst of political reform. Yet because East Germany holds sports so dear to its heart, those inside the club are not likely to remain unaffected by the changes, which continued Tuesday when the officers of the embattled German Sports and Gymnastics Union, as expected, resigned en masse in the face of mounting public protest over excessive government support of elite athletes.

Klaus Eichler, the president of the national sports authority, known by its German initials DTSS, said he and the rest of the secretariat, or central administration, would step down in response to calls for "far-reaching programs and personnel changes," the official news agency ADN reported.

Eichler admitted "mistakes" by DTSS's leaders in recent weeks, ADN reported. It said that an overwhelming majority of the national assembly of DTSS, an organization of 3.6 million members, had accepted the resignations at an emergency meeting outside Berlin.

ADN said the assembly would name a 40-member

working group from delegates to lead a "renewal" of DTSS.

"There is no crisis on the lower level, but in the apparatus," delegate Karl-Heinz Schulz was quoted as saying. "Everybody is fighting for their positions here."

"It cannot be the old way; that is too difficult, and our economy is not so good," said Hannelore Gerlach, a former coach with national gymnastics teams who was working with the little girls in the club in Berlin.

In what form sports will continue is one of the more intriguing subplots of East Germany's current political mystery. As an interim coalition government grapples with new ideas five months in advance of parliamentary elections, sports leaders are debating how the future resources from the government might be applied.

While it is generally assumed that those in power will accede to public demands of more money for local and regional sports programs, some of East Germany's elite athletes are wondering if a reallocation of funds will damage the country's mighty Olympic legacy.

Only the Soviet Union and the United States have won more medals than East Germany in the last six Olympics. "If that is so," Ulf Timmermann said of a possible government cutback, "then, yes, we will have some problems competing in the Olympics as we did in the past. But we will not give up this position voluntarily."

Timmermann, the 1988 Olympic shot-put champion, is one of the Berlin club's most celebrated members. Speaking amid the grunts and groans of others at practice, his workout ended, he reflected on the possible changes for the

country's top athletes and the system that produces them.

In general, he envisioned only minimal, if any, retrenchment by the government, and was thus not terribly alarmed over the possibility of major damage to the system.

Another of the club's elite athletes, Heike Harwig, a former women's national shot-put champion, agreed, saying: "Western athletes have shown us they can compete without so much government support. If we are put in that position, we can demonstrate our level of performance."

If budgets were cut back — a greater possibility if the Communist Party wins only minority representation in the May elections — Timmermann said sports authorities might be forced to consider reducing the number of sports in which the country would try to excel at the international level.

Until now, East Germany has always taken a lean approach to elite sports. Its national teams are composed only of athletes judged by coaches to be potential medal winners, unlike the United States, for example, which fills every available slot no matter what the athlete's chances for a medal may be.

Also, the East Germans de-emphasize many team sports, like ice hockey and field hockey, because a team can win only one medal. For that reason alone, Timmermann said, future austerity could force sports leaders to de-emphasize team sports in which the country has had success, like volleyball and handball.

In any case, he added, federations for all sports will likely investigate new ways to supplement whatever government subsidies they receive, as a safeguard against any shortfalls.

"Elite sports need other resources," he said. "We now have a chance to earn much more than in the past. Marketing, for example. To now, there has been very little effort. Our national team has had only one commercial deal, with Adidas."

"But we can also have advertising on our shirts, signs in our stadiums. I am sure we can sign contracts with big enterprises to earn much more than we have before."

Some efforts are already under way. The track and field federation is considering raising money by allowing more athletes to participate in more Western meets. Timmermann said he and other East Germans had competed only rarely each summer on the Grand Prix circuit, which pays athletes according to their performances.

In the future, he said, an athlete would split the winnings with the federation. In the past, the federation has kept all the money, except for a small daily living allowance.

The soccer federation is negotiating with first-division clubs in Western Europe to transfer players on a limited basis. Such an arrangement is viewed by sports officials here as a way of discouraging talented players from defecting while at the same time generating revenues. The transfer fee would be shared by the federation and the players, who would remain eligible for East German national teams.

The notion of one country's renting an athlete to another is not uncommon. But East Germany has indulged only once, in altered form, by allowing Olympic figure-skating champion Katarina Witt to perform in Western ice shows.

## SIDELINES

## Timer's Failure Prevents World Mark

ADELAIDE, Australia (AP) — Glen Housman of Australia smashed the swimming world record in the 1,500-meter freestyle Wednesday, but his time could not be ratified because of a timing malfunction.

The official Omega timing equipment at the Australian trials for next month's Commonwealth Games failed to register Housman's finish. Housman, 18, was hand-timed at 14 minutes, 53.59 seconds, which is 1.17 seconds under the world record set by Vladimir Salnikov of the Soviet Union in 1983. The manual timing, which the South Australian Swimming Association will recognize as a record, will not be accepted as a record by FINA, the international governing body.

Housman walked out of a press conference with tears in his eyes.

## UNC's 6-Year Stay in Top 20 Ends

NEW YORK (AP) — For the first time in almost seven years, the University of North Carolina is not ranked in The Associated Press college basketball poll (see Scoreboard).

The Tar Heels, 4-4, fell from last week's No. 17 ranking after losing to Georgetown and Iowa. Those losses gave Dean Smith his worst record at the start of a season since he became coach in 1961.

North Carolina had been ranked in every poll since Jan. 4, 1983, and was in the top 10 for all but three weeks since the 1984-85 season. The team with the longest consecutive appearance streak is now No. 1 Syracuse, which has been ranked every week since March 5, 1984.

## For the Record

Jeff Fenech of Australia, the World Boxing Council featherweight champion who is unbeaten in 24 fights, entered a hospital Thursday for surgery on his right hand in an attempt to save his career. Fenech, 25, broke the hand in a fight in April and re-injured it last month.

Seven Soviet boxers announced Tuesday they will train in Toronto for their first professional fights. They include heavyweight Alexander Burmistrov, 26, who has won 157 of 169 fights and wants to average one of those losses, to Lennox Lewis of Canada, the 1988 Olympic gold medalist who has since turned pro.

The L.A. Coliseum, which wooed and won the National Football League's Raiders from Oakland in the early 1980s, has offered the team's owner, Al Davis, a new \$145 million stadium on the same site to keep him from moving back to Oakland or to Sacramento.

Jesus Sabel of San Diego won the World Boxing Association junior featherweight title Monday night when the defending champion, Juan José Estrada of Tijuana, Mexico, was disqualified in the ninth round in Inglewood, California, for repeated low blows.

Steve Collins of Ireland will challenge Mike McCallum of Jamaica for the WBA middleweight title in Dublin on Feb. 3.

The Oregon Lottery Commission, encouraged by the success of its pro football betting game, has voted to add a pro basketball game despite the threat of a lawsuit by the National Basketball Association.

Ivan Lendl, the world's top-ranked tennis player, Boris Becker and John McEnroe headed a list of 12 of the top 20 players who have entered each month's Australian Open.

## Quotable

Steve Largent of the Seattle Seahawks after catching his 100th National Football League touchdown pass, breaking a 44-year-old record set by Don Hutson: "I wanted to just go crazy. But I couldn't, because I had to hold for the extra point."

## 5 World Cup Skiers Injured in 4 Days

Compiled by Our Staff From Dispatches

VAL GARDENA, Italy — Switzerland's Peter Müller, a former world champion and one of the most experienced of downhill skiers, crashed and injured a knee Wednesday in training for this weekend's two downhill races, raising to five the number of World Cup skiers hurt in the last four days.

Müller, 32, who won his world title in 1987, fell during the second of two training runs on the 3,400-meter (3,715-yard) Seislong course, site of the first downhill of the season Friday and Saturday. The injury could possibly end a career that began in 1977.

Also falling and suffering knee injuries Wednesday were Swiss teammate Philippe Schuler and Austrian Gerhard Pfaffenbichler, the defending champion on the World Cup tour, was badly bruised in a high-speed fall during a super-giant slalom race Tuesday in Sestriere, Italy. Italy's No. 1 slalom specialist, Alberto Tomba, broke his left collarbone following a spill in Val d'Isère, France, on Sunday.

Others injured earlier in the season include Michael Mair of Italy, Tamara McKinney of the United States, Martin Hagen and Vreni Schneider of Switzerland and Helmut Mayer of Austria.

Finnish Zerkogen, the three-time World Cup champion from Switzerland who was the super-giant race at Sestriere that artificial snow and insufficient safety are making this year's early races overly dangerous.

Helmut Schmalzl, an official of the Italian ski team, blamed the injuries on attempts to make the courses more difficult and exciting. On Tuesday, he said prophetically that the course at Val Gardena had been "modified to make the race more spectacular. It also made it extremely dangerous."

Schmalzl is a resident of Val Gardena.

Müller and Schuler were trans-

ferred by air to Switzerland, while Pfaffenbichler was taken to Innsbruck, Austria.

Girardelli, suffering hip and spinal bone injuries, was ordered by doctors to rest for 10 days, forcing him to miss the next three World Cup races. He could be out for a month. Tomba will be sidelined for at least a month.

"You must concentrate from the start to the finish on courses made with artificial snow," Zurbriggen said. "Tomba and Girardelli both made technical mistakes. But both could have probably avoided or corrected the error on natural snow."

Zurbriggen's victory, his first of the season, moved him into second place overall on the World Cup tour, 17 points behind Norway's rising star, Ole Christian Furuseth.

He won Tuesday's race at an average speed of 93.3 kilometers per hour (57.9 mph), and several team officials and experts agreed that super-giant races are increasingly looking like real downhillers after being designed to be a mixture of downhill speed and giant-slam technique. His combined time on his two runs was 1 minute, 37.39 seconds. (UPI, AP)



Defending champion Marc Girardelli was badly bruised in a high-speed fall during the super-giant slalom race in Sestriere, Italy.

## Royals Corner the Cy Young Market

The Associated Press

KANSAS CITY, Missouri — Mark Davis, this year's National League Cy Young winner, has agreed to a four-year, \$13 million contract with the Kansas City Royals, joining a staff that includes Bret Saberhagen, the 1989 American League Cy Young winner.

It was not a matter of money, he said. "I had a lot of factors that I was considering, and this organization met most of those factors. I took into account that Kansas City is a most consistent organization,

and the way my family felt. I did not take the highest bidder." Davis, who was successful on 44 of 48 save opportunities last year for the San Diego Padres, earned \$600,000 in 1989.

"Our pitching staff is the strongest in baseball right now," said the Royals' manager, John Wathan. He added rhetorically: "Which Cy Young do you end up closing the game with?"

The Royals signed Storm Davis, Oakland's 19-game winner, last week to a \$6 million, three-year deal.

left-hander Mark Langston, who got \$16 million for five years from the California Angels. It was the fourth time the record had been broken in the last month.

Agreeing to an offer that his agent said was only the fifth-best he had received, Davis dropped his request for a five-year contract.

"It was not a matter of money," he said. "I had a lot of factors that I was considering, and this organization met most of those factors. I took into account that Kansas City is a most consistent organization,

## FOOTBALL

## NFL Standings

AMERICAN CONFERENCE			
Team	W	L	T
Buffalo	8	4	0
Atlanta	7	5	0
Indianapolis	7	5	0
New England	7	5	0
N.Y. Jets	6	6	0

NATIONAL FOOTBALL LEAGUE			
Team	W	L	T
San Francisco	10	4	0
Los Angeles	9	5	0
San Diego	8	6	0
Seattle	8	6	0
San Francisco	8	6	0

NATIONAL FOOTBALL LEAGUE			
Team	W	L	T
San Francisco	10	4	0
Los Angeles	9	5	0
San Diego	8	6	0
Seattle	8	6	0
San Francisco	8	6	0

NATIONAL FOOTBALL LEAGUE			
Team	W	L	T
San Francisco	10	4	0
Los Angeles	9	5	0
San Diego	8	6	0
Seattle	8	6	0
San Francisco	8	6	0

NATIONAL FOOTBALL LEAGUE			
Team	W	L	T
San Francisco	10	4	0
Los Angeles	9	5	0
San Diego	8	6	0
Seattle	8	6	0
San Francisco	8	6	0

NATIONAL FOOTBALL LEAGUE			
Team	W	L	T
San Francisco	10	4	0
Los Angeles	9	5	0
San Diego	8	6	0
Seattle	8	6	0
San Francisco	8	6	0

NATIONAL FOOTBALL LEAGUE			
Team	W	L	T
San Francisco	10	4	0
Los Angeles	9	5	0
San Diego	8	6	0
Seattle	8	6	0
San Francisco	8	6	0

NATIONAL FOOTBALL LEAGUE			
Team	W	L	T
San Francisco	10	4	0
Los Angeles	9	5	0
San Diego	8	6	0
Seattle	8	6	0
San Francisco	8	6	0

NATIONAL FOOTBALL LEAGUE			
Team	W	L	T
San Francisco	10	4	0
Los Angeles	9	5	0
San Diego	8	6	0
Seattle	8	6	0
San Francisco	8	6	0

NATIONAL FOOTBALL LEAGUE			
Team	W	L	T
San Francisco	10	4	0
Los Angeles	9	5	0
San Diego	8	6	0
Seattle	8	6	0
San Francisco	8	6	0

NATIONAL FOOTBALL LEAGUE			
Team	W	L	T
San Francisco	10	4	0
Los Angeles	9	5	0
San Diego	8	6	0
Seattle	8	6	0
San Francisco	8	6	0

NATIONAL FOOTBALL LEAGUE			
Team	W	L	T
San Francisco	10	4	0
Los Angeles	9	5	0
San Diego	8	6	0
Seattle	8	6	0
San Francisco	8	6	0

NATIONAL FOOTBALL LEAGUE			
Team	W	L	T
San Francisco	10	4	0
Los Angeles	9	5	0
San Diego	8	6	0
Seattle	8	6	0
San Francisco	8	6	0

NATIONAL FOOTBALL LEAGUE			
Team	W	L	T
San Francisco	10	4	0
Los Angeles	9	5	0
San Diego	8	6	0
Seattle	8	6	0
San Francisco	8	6	0

## TRANSACTIONS

CLEVELAND — Activated Jim Peterson, forward-center, from injured list. Waived Leonard Taylor, forward.

INDIANAPOLIS — Placed Michael Williams, guard, on injured list. Activated Adrian Caldwell, forward-center, from injured list.

NEW JERSEY — Named Rick Carlisle, assistant coach.

PHOENIX — Waived Michael Williams, guard.

NATIONAL FOOTBALL LEAGUE — Activated Jim Peterson, forward-center, from injured list. Waived Leonard Taylor, forward.

INDIANAPOLIS — Placed Michael Williams, guard, on injured list. Activated Adrian Caldwell, forward-center, from injured list.

NEW JERSEY — Named Rick Carlisle, assistant coach.

PHOENIX — Waived Michael Williams, guard.

NATIONAL FOOTBALL LEAGUE — Activated Jim Peterson, forward-center, from injured list. Waived Leonard Taylor, forward.

INDIANAPOLIS — Placed Michael Williams, guard, on injured list. Activated Adrian Caldwell, forward-center, from injured list.

NEW JERSEY — Named Rick Carlisle, assistant coach.

PHOENIX — Waived Michael Williams, guard.

NATIONAL FOOTBALL LEAGUE — Activated Jim Peterson, forward-center, from injured list. Waived Leonard Taylor, forward.

INDIANAPOLIS — Placed Michael Williams, guard, on injured list. Activated Adrian Caldwell, forward-center, from injured list.

NEW JERSEY — Named Rick Carlisle, assistant coach.

PHOENIX — Waived Michael Williams, guard.

## 11 Countries Sign Anti-Drug Accord

The Associated Press

ROME — Sports officials from 11 countries signed an agreement Wednesday to cooperate in combating the use of drugs, including the testing of each other's athletes.

The accord was modeled after a U.S.-Soviet agreement allowing the two countries to conduct short-term cross-testing of athletes for steroids and other performance-enhancing drugs.

Signing the agreement were officials from the United States, Soviet Union, Australia, Britain, Bulgaria, Czechoslovakia, Italy, South Korea, Norway, Sweden and West Germany.

Canada was represented at the meeting but did not sign the agreement. Officials said Canada had an observer's role and was expected to join the effort soon.

The accord will be supervised by the International Olympic Committee's Medical Commission.

The commission president, Prince Alexandre de Merode of Belgium, said the agreement marked "a turning point in the fight against doping."

"We confronted the problem not just by words but by concrete action," he said following two days of closed-door talks at the headquarters of the Italian Olympic Committee.

The accord commits the countries to take practical measures to eliminate the use of doping substances by their athletes and to cooperate through separate joint agreements between national federations.

The document said the bilateral agreements should include cross-testing of each other's athletes in and outside of competition, with details to be worked out in each separate accord.

The agreement said the countries should share all information on doping tests and sanctions, support establishment of common penalties for use of drugs, develop joint educational and research programs and help each other in laboratory techniques.

The accord goes into effect Jan. 1 and lasts through Dec. 31, 1992. It can be extended for another four years.

"When we came here our hope was we could produce a document which committed the participants to join the effort modeled after the accord between the United States and Soviet Union," said Baron Pitagore, executive director of the U.S. Olympic Committee and head of the American delegation to the talks. "We were delighted that such a document resulted."

**THE BELLE EPOQUE**  
IN THE PARIS HERALD  
by Hebe Dorsey  
First hand reports of the giddy, glamorous lives of turn-of-the-century international society and the events that influenced their lives.



Long-time Trib fashion editor, Hebe Dorsey went into the archives of the old Paris Herald (original name of today's Trib) and collected the great news stories of the turn of the century — along with glorious, gossipy tid-bits, records of fabulous gals, stunning fashions, gentlemen's duels and "crazy inventions."

With hundreds of excerpts of articles, delightful vignettes and 147 illustrations, this book is a vivid evocation of a period no one imagined would ever end. A great gift idea.

Hardcover, 224 pages, 147 illustrations, 16 in. color.

29 x 3.5 cm. (11 1/2 x 9 1/2 in. approx.).



Herald Tribune.

International Herald Tribune, Book Division, 181 Ave. Charles-de-Gaulle, 92521 Neuilly Cedex, France. Payment is by credit card only. All major cards are accepted. (Please note that French residents may pay by check in French francs, at the current exchange rate. We regret that checks in other currencies cannot be accepted.)

Please charge to my credit card: ☐ Access ☐ Amex ☐ Diners ☐ Eurocard ☐ Mastercard ☐ Visa

Card no. \_\_\_\_\_ Exp. date \_\_\_\_\_

Signature \_\_\_\_\_

Please send me \_\_\_\_\_ copies of THE BELLE EPOQUE in THE PARIS HERALD at U.S. \$40.00 each, plus postage: \$5.00 each in Europe; \$14.00 each outside Europe.

Name (PRINT LETTERS) \_\_\_\_\_

Address \_\_\_\_\_

City and Code \_\_\_\_\_

Country \_\_\_\_\_ 14-12-89

## SCOREBOARD

## BASKETBALL

## NBA Standings

EASTERN CONFERENCE			
Team	W	L	Pct
New York	11	9	.550
Boston	10	9	.526
Philadelphia	9	9	.500
Washington	8	10	.444
New Jersey	6	12	.333
Atlanta	2	16	.111



## ART BUCHWALD

## Those Were the Days

WASHINGTON — During an address to the Romanian Prime Minister Ceausescu promised that he would lead them back into what he called "the golden dream of Communism."

Like most of us I didn't know that there was such a thing.

So I spoke to a Romanian Gypsy violinist who plays at the Georgetown Tea Room down the street. "Do you remember living in the golden dream of Communism?" I asked.

"I remember it well," he answered. "We lived in one town to buy a chicken being sold in the next town. When they announced that they had run out of fowl, we stamped our feet and sang songs to Papa Lenin and Uncle Stalin."

"It sounds like a meaningful time for the Romanian people."

"None of us would have missed it. We didn't have to worry about anything under Communism because our leaders did all the worrying for us. During the golden dream, one day drifted into another, and every Romanian couldn't wait to get up in the morning."

"Where there were secret police in the golden dream?"

## Prague Suspends Plan for Art Sale

PRAGUE — Czechoslovakia has suspended a plan to sell off part of its state art collections abroad after protests against liquidation of the national cultural legacy for badly needed hard currency.

The proposed sale, which Christie's had hoped to hold in London, became a subject of debate in the newly freed official media last month. Six museums, including the National Gallery and the State Jewish Museum, had begun drawing up lists of objects for the sale.

"The entire project has been suspended" and will be subject to review, Josef Hloušek, an official involved in negotiations with Christie's, said.

"There were, but they weren't exactly 'secret.' They used to come to the door at night and tap lightly, and ask if they could get us a cup of warm milk. They were always fun to have around."

"What else can you remember from the golden dream?"

"There was respect for Lenin and Khrushchev. Khrushchev once declared that without Romania there would be no people's paradise behind the Iron Curtain."

"Was he drunk when he said it?"

"Let's say that he wasn't dead sober. Everyone in Moscow loved us because we never wavered from the party line, and we spit in the face of Western imperialism."

"I don't imagine that there were too many original ideas during the golden dream."

"None, but we had something better. Every person who didn't think was permitted to put his name on a waiting list for a new Bucharest apartment."

"That must have been worth keeping your lips sealed for."

"What made the golden dream work was that if the party didn't make something happen, the army could. Our leaders turned us into true believers."

"I'm still not clear about what makes a Communist golden dream."

"The dream is golden when everybody goes about his business, and keeps his mouth shut while the leaders live in a style which only capitalists are accustomed to. We knew that we were in such a situation because we couldn't buy any shoes and socks, and there was no oil or gas to heat our homes. We prayed for the glory of the revolution and called for the downfall of the United States. We managed to do all of that with only one television station."

"It sounds as if it was the best of times," I said. "Why did you leave?"

"Everything was too cushy. I was afraid I was getting soft. I feared that if I succumbed to the attractions of the golden dream of Communism, I would finally get an apartment and be stuck there forever."

"Where is this golden dream now?"

"It went West with Nadia Comaneci."

## Peary Reaches the Pole Again

By Warren E. Leary

WASHINGTON — The explorer Robert E. Peary's polar expedition reached the North Pole in 1909 just as he said, according to a study that used new scientific methods to re-examine the evidence.

While detractors have long tried to discredit Peary's claim of being the first to reach the top of the world, a 230-page report commissioned by the National Geographic Society concludes that the party, including the explorer Matthew Henson and four Eskimos, reached the Pole.

The study, if accepted, could secure Peary's place among the heroes of exploration after recent critical analyses had threatened to dislodge him.

Conducted by the Navigation Foundation, a professional navigation society, the study used new analytical methods to look at photographs, celestial sightings, ocean depth readings and other records made by the expedition to conclude that Peary's final camp was no more than five miles (eight kilometers) from the Pole, not scores of miles away as some critics have contended.

The report said there was no evidence of fraud and deception in the explorer's records. But one critic, Dennis Rawlins, a Baltimore astronomer and historian, said he remained convinced, despite the new study, that Peary did not reach his goal and had faked his claim.

Thomas D. Davies, president of the Navigation Foundation, said at a news briefing that he had no doubt what the evidence showed after the extensive year-long study that examined almost all known records of the expedition.

"We have made two clear findings," Davies said.

"Peary was not a fake or a fraud and he did reach the North Pole. He was where he said he was when he said he was."

The foundation said it conducted its study independently without giving the Geographic Society or the Peary family prior comment or approval of the report before it was released.

Using techniques of "forensic photography" for the first time to dissect pictures taken during the expedition, the foundation said an analysis of shadows and other features of pictures taken at Peary's farthest camp showed that it probably was within four to five miles of the Pole. The scientists, using pictures that had strong shadows, were able to calculate the angle of the sun to fix the location.

Knowing the focal length of the camera lens and the angle at which the camera was held relative to a horizon, they found a common point where lines drawn through



Robert E. Peary

the shadows converged at different angles, enabling them to determine sun elevation.

A picture taken at the Peary camp on April 7, 1909, depicting two men in front of a flag atop a pile of snow allowed experts to calculate a sun angle of 6.8 degrees, indicating the location was very close to the Pole, where the sun angle that day was 6.7 degrees.

The study also found that most measurements of ocean depths taken through the ice by the expedition coincided with actual depths on modern charts along the route Peary said he took to the Pole.

The researchers obtained the data from the Defense Mapping Agency. These ocean-depth measurements, taken by U.S. submarines, were not available during Peary's time, but they appeared to corroborate the explorer's 10 sounding measurements.

A re-examination of the navigational method chosen by Peary, which used sun sightings to "home in" on the North Pole instead of standard longitudinal readings, showed that it was "practical and accurate" for finding directions near a pole, the study found. The navigators said Peary's several sextant sightings of the sun at noon were good enough to keep him going true north and correct for errant compass readings.

Patterns of westward ice drift in the Arctic Ocean, which some critics said

would have put Peary more than 55 miles away from the Pole, appeared to be offset by a subsequent eastward drift noted in the logs of some members of the expedition, the study found.

"In the light of all the data we accumulated and assimilated," the report concluded, "we feel that we can say categorically that Peary realized his lifelong goal of attaining the Pole on the last of his many expeditions. Certainly we turned up no evidence to the contrary."

Gilbert M. Grosvenor, president of the National Geographic Society, which has long supported Peary's claim, said his organization sponsored the new study to clarify the historical record in light of allegations of fraud.

"Modern technology can find no reason to doubt the Peary claim," he said at the briefing.

"It's important to clear his name if he's not a fraud."

Edward P. Stafford, one of Peary's two surviving grandsons and a retired naval aviator, said he considered the report to be the last word on the subject.

"We've been waiting for this day for 80 years," Stafford said. "I've spent a lot of time defending my grandfather and I'm glad it's finally over."

Rawlins, the longtime critic of the explorer, disagreed that the report settled the issue.

Rawlins, who attended the briefing, said the new evidence "proved nothing." He criticized the photographic analysis, saying it only proved that the Peary group was in the vicinity of the Pole, a point that he said was not in contention.

To do the photo analysis, he noted, the Navigation Foundation relied on the time of day that Peary noted in his logs as to when pictures were taken.

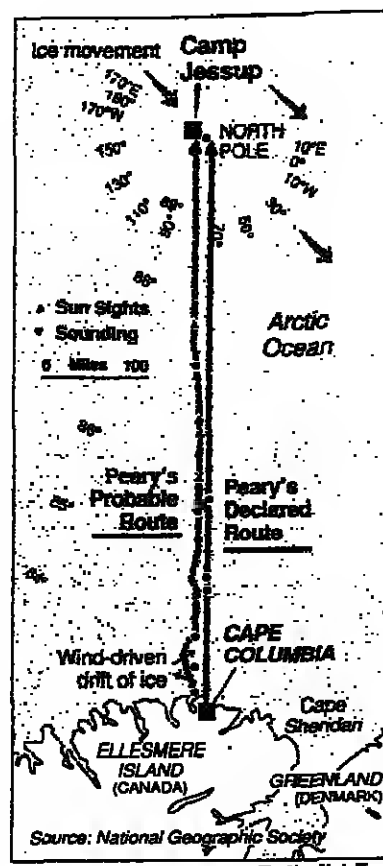
"Peary's word is in dispute and they used it to help locate the time of the photographs," Rawlins said, calling into question Peary's behavior during parts of the trip, including appearing to withdraw from other members of the party and not recording many key events in his diaries.

Another critic, Walter Herbert, a British polar explorer, also challenged Peary's claim, saying the explorer missed the pole by up to 60 miles because of navigation mistakes.

Before Peary left on the expedition, he sold the rights to his story to The New York Times for \$4,000. The total cost of the expedition was \$75,000.

The controversy over whether Peary reached the North Pole on April 6, 1909, began shortly after his return.

A rival explorer, Dr. Frederick Cook, declared he had reached the pole the year before, a claim that was later dismissed by many historians as a fabrication.



Source: National Geographic Society

The New York Times

A committee of the National Geographic Society, one of the early financial supporters of Peary's work, certified the explorer's claim shortly after his return.

A congressional committee looked at the evidence and also declared Peary the first to reach the North Pole.

But doubts persisted because of the sketchiness of some of Peary's records and seemingly unexplained parts of the trip, including an unusually rapid return from the pole by dog sled at the end of the expedition.

The controversy gained new life in the fall of 1988.

Rawlins was the source of newspaper articles asserting that new evidence had been found that Peary faked his claim after failing short of his goal.

Rawlins obtained a copy of a sheet of calculations that had been held by Peary's wife containing numbers that seemed to indicate that the explorer never reached the Pole.

An examination by the Navigation Foundation showed that the paper actually pertained to a Peary expedition years earlier and the numbers in question were serial numbers of the explorer's timekeeping chronometers.

Rawlins publicly admitted his error about the paper earlier this year, but he said there still was other evidence that built a strong case against Peary.

## PEOPLE

## Harvard Professor Wins Agnelli Prize in Ethics

A Harvard economics professor, Amartya Kumar Sen, was awarded the Senator Giovanni Agnelli International Prize for Ethics, the Fiat automobile company said Wednesday. Sen, an Indian citizen born in 1933, was selected for his contributions, "as an economist and a philosopher, to our understanding of the ethical dimension of modern society." Sen is a specialist on developing economies.

The actor Gary Bussey, recovering from a severe head injury he suffered in a motorcycle accident, says he has changed his mind about helmets. Bussey was not wearing one a year ago when his bike struck a curb in Los Angeles, and before the accident he helped defeat a proposed state law forcing motorcycle riders to wear helmets. On a television show, Bussey said: "I have a whole new attitude about helmeting, my attitude now is becoming helmet-conscious, to wear one."

Athina, the 4-year-old daughter of the late Christina Oakes, will be protected by an electronic security system "worthy of James Bond," according to officials in the Swiss village of Lesy-sur-Morges on the northern shore of Lake Geneva. They said she would live with her father, Thierry Oakes, an industrialist, on an estate he recently bought there and is renovating. Athina is the sole heir to the fortune amassed by her grandfather, the late shipping magnate Aristote Oakes, to which she has access when she turns 18.

A giraffe barn on Michael Jackson's ranch in the Santa Ynez Mountains northwest of Santa Barbara, California, went up in flames, but the animals were evacuated safely. Besides the giraffes, the pop music star keeps a chimpanzee, ostriches, llamas and boar constrictors. Jackson was not at the ranch at the time of the fire, a spokesman for the singer said. In Indianapolis, an three-foot (one-meter) alligator, rescued from a pet store, is living in a box at an Indianapolis complex's home. Dale Berdson, an environmental consultant, and his wife, Marilyn, are not that comfortable about the arrangement. "Hamsters and fish are one thing, but this is something else," said Berdson.

## INTERNATIONAL CLASSIFIED

## PERSONALS

CONGRATULATIONS TO ANN AND PAUL WOODWARD ON THE BIRTH OF YOUR BABY BOY QUIVER. Weighing about 8 lbs 12 oz born on 10 December. With Best Wishes from all your FRIENDS at the TIME.

JOB IN BELING Please forgive me, I care for you, I am sorry, I want you to be happy.

## MOVING

**Move Plus**  
THE INTERNATIONAL MOVES  
Head Office: World Trade Center, Rotterdam, Tel. 31 (0) 46 226

MOVE Plus - FRANCE  
Dordrecht (03) 1 43.43.22.64  
MOVE Plus - NORWAY  
Oslo (02) 2 50.00.00  
MOVE Plus - ENGLAND  
Amsterdam (04) 1 93.33.33  
MOVE Plus - HOLLAND  
Nijmegen (01) 10 42.33.33  
MOVE Plus - GERMANY  
Köln (02) 2 20.00.00  
MOVE Plus - BELGIUM  
Brussels (02) 2 22.22.22  
MOVE Plus - SWITZERLAND  
Zürich (04) 1 72.22.22  
MOVE Plus - SPAIN  
Madrid (01) 1 72.22.22  
MOVE Plus - AUSTRIA  
Vienna (01) 1 72.22.22  
MOVE Plus - ITALY  
Rome (06) 1 72.22.22  
MOVE Plus - JAPAN  
Tokyo (03) 1 72.22.22  
MOVE Plus - SOUTH AFRICA  
Johannesburg (01) 1 72.22.22  
MOVE Plus - AUSTRALIA  
Sydney (02) 1 72.22.22  
MOVE Plus - NEW ZEALAND  
Auckland (09) 1 72.22.22  
MOVE Plus - CANADA  
Toronto (04) 1 72.22.22  
MOVE Plus - USA  
New York (02) 1 72.22.22  
MOVE Plus - ARGENTINA  
Buenos Aires (01) 1 72.22.22  
MOVE Plus - CHILE  
Santiago (02) 1 72.22.22  
MOVE Plus - COLOMBIA  
Bogotá (01) 1 72.22.22  
MOVE Plus - CUBA  
Havana (07) 1 72.22.22  
MOVE Plus - DOMINICAN REPUBLIC  
Santiago (01) 1 72.22.22  
MOVE Plus - ECUADOR  
Quito (02) 1 72.22.22  
MOVE Plus - EGYPT  
Cairo (02) 1 72.22.22  
MOVE Plus - GREECE  
Athens (01) 1 72.22.22  
MOVE Plus - HUNGARY  
Budapest (01) 1 72.22.22  
MOVE Plus - INDIA  
New Delhi (01) 1 72.22.22  
MOVE Plus - INDONESIA  
Jakarta (02) 1 72.22.22  
MOVE Plus - JAMAICA  
Kingston (01) 1 72.22.22  
MOVE Plus - JAPAN  
Tokyo (03) 1 72.22.22  
MOVE Plus - KENYA  
Nairobi (01) 1 72.22.22  
MOVE Plus - KUWAIT  
Kuwait City (01) 1 72.22.22  
MOVE Plus - LAOS  
Vientiane (01) 1 72.22.22  
MOVE Plus - LIBERIA  
Monrovia (01) 1 72.22.22  
MOVE Plus - LEBANON  
Beirut (01) 1 72.22.22  
MOVE Plus - LITHUANIA  
Vilnius (01) 1 72.22.22  
MOVE Plus - LUXEMBOURG  
Luxembourg (02) 1 72.22.22  
MOVE Plus - MALAYSIA  
Kuala Lumpur (03) 1 72.22.22  
MOVE Plus - MALTA  
Valletta (01) 1 72.22.22  
MOVE Plus - MEXICO  
Mexico City (01) 1 72.22.22  
MOVE Plus - MOROCCO  
Rabat (01) 1 72.22.22  
MOVE Plus - NEPAL  
Kathmandu (01) 1 72.22.22  
MOVE Plus - NETHERLANDS  
Amsterdam (02) 1 72.22.22  
MOVE Plus - NEW ZEALAND  
Auckland (09) 1 72.22.22  
MOVE Plus - NORWAY  
Oslo (02) 1 72.22.22  
MOVE Plus - OMAN  
Muscat (01) 1 72.22.22  
MOVE Plus - PAKISTAN  
Karachi (02) 1 72.22.22  
MOVE Plus - PANAMA  
Panama City (01) 1 72.22.22  
MOVE Plus - PARAGUAY  
Asunción (01) 1 72.22.22  
MOVE Plus - PERU  
Lima (01) 1 72.22.22  
MOVE Plus - PHILIPPINES  
Manila (02) 1 72.22.22  
MOVE Plus - POLAND  
Warsaw (02) 1 72.22.22  
MOVE Plus - PORTUGAL  
Lisbon (01) 1 72.22.22  
MOVE Plus - ROMANIA  
Bucharest (01) 1 72.22.22  
MOVE Plus - RUSSIA  
Moscow (01) 1 72.22.22  
MOVE Plus - SAUDI ARABIA  
Riyadh (01) 1 72.22.22  
MOVE Plus - SINGAPORE  
Singapore (02) 1 72.22.22  
MOVE Plus - SOUTH AFRICA  
Johannesburg (01) 1 72.22.22  
MOVE Plus - SOUTH KOREA  
Seoul (02) 1 72.22.22  
MOVE Plus - SPAIN  
Madrid (01) 1 72.22.22  
MOVE Plus - SWEDEN  
Stockholm (08) 1 72.22.22  
MOVE Plus - SWITZERLAND  
Zürich (04) 1 72.22.22  
MOVE Plus - THAILAND  
Bangkok (02) 1 72.22.22  
MOVE Plus - TRINIDAD AND TOBAGO  
Port of Spain (01) 1 72.22.22  
MOVE Plus - TUNISIA  
Tunis (01) 1 72.22.22  
MOVE Plus - TURKEY  
Istanbul (01) 1 72.22.22  
MOVE Plus - UGANDA  
Kampala (01) 1 72.22.22  
MOVE Plus - URBAN  
New York (02) 1 72.22.22  
MOVE Plus - VENEZUELA  
Caracas (01) 1 72.22.22  
MOVE Plus - VIETNAM  
Hanoi (01) 1 72.22.22  
MOVE Plus - YUGOSLAVIA  
Belgrade (01) 1 72.22.22  
MOVE Plus - ZAMBIA  
Lusaka (01) 1 72.22.22  
MOVE Plus - ZIMBABWE  
Harare (01) 1 72.22.22

## MOVING

1992 - NOW I  
**interdean**  
INTERNATIONAL MOVES  
FOR A FREE ESTIMATE CALL

AMSTERDAM 31 (71) 89 83 24  
ATHENS 30 (3) 961 12 12  
BARCELONA 34 (3) 452 31 11  
BERLIN 49 (30) 46 00 00  
BRUSSELS 32 (21) 47 06 91  
CANNES 33 (93) 93 67 44  
FRANKFURT 49 (69) 20 01  
GENEVA 41 (22) 43 83 30  
LONDON 44 (1) 961 41 41  
MADRID 34 (91) 671 24 50  
MANCHESTER 44 (161) 702 16 16  
MOSCOW 7 (95) 938 20 80  
MUNICH 49 (89) 741 90 36  
NAPLES 39 (81) 740 16 16  
OTTENBURG 49 (78) 587 67  
PARIS 33 (1) 39 54 90 30  
ROME 39 (6) 524 92 42  
VIENNA 43 (44) 58 00 33  
VIENNA 43 (44) 58 00 33  
WASHINGTON 1 (703) 759 4801  
ZURICH 41 (1) 945 04 00

## ANNOUNCEMENTS

THE HIT IS NOW  
AVAILABLE IN MANY  
U.S. CITIES ON DATE  
OF ISSUE

Now printed by satellite transmission in New York the International Herald Tribune offers same-day home or office delivery in Manhattan, most areas of Boston, Houston, Los Angeles, Miami, Philadelphia, San Francisco and Washington D.C.

Subscription copies are now flown daily to Atlanta, Chicago, Denver and Seattle for speedy mail delivery.

In the U.S., call  
TOLL FREE  
1-800-882-2884

In New York, call  
(212) 752-3890

THEATRE TICKETS  
PHANTOM IN SAIGON  
A LOVE SINFARIA  
ALL SPORTING EVENTS AND POP  
TEL: 01 379 054 EXT 2170  
FAX: 01 379 051

ALL MAJOR CREDIT CARDS ACCEPTED

## ANNOUNCEMENTS

**USADIRECT**  
CALLING THE STATES FROM  
OVERSEAS AS HAS NEVER BEEN  
EASIER WITH USADIRECT

All you have to do is  
dial 1-800-882-2884 to be connected to  
an AT&T operator in the U.S.

**AUSTRALIA**  
0014-881-011

**AUSTRIA\***  
022-903-011

**BELGIUM\***  
11-0010

**BRAZIL**  
000-8010

**BR. VIRGIN IS.**  
1-800-872-2881

**DENMARK\***  
0430-0010

**FINLAND\***  
9800-100-10

**FRANCE\***  
19\*-0011

**GERMANY, FRG\***  
0130-0010

**HONG KONG**  
008-1111

**ITALY\***  
172-1011

**JAPAN**  
0039-111

**NETHERLANDS\***  
06\*-022-9111

**NEW ZEALAND**  
000-911

**NORWAY\***  
050-12-011

**SWEDEN\***  
020-795-611

**SWITZERLAND\***  
046-05-0011

**UNITED KINGDOM**  
0800-89-0011

\* Average second dial tone  
1. Available on a trial basis only  
2. Available from New York, Rome  
3. Not available from all locations  
4. Can be reached from local areas  
There may be a short delay of up to  
30 seconds between dialing and  
operator response.  
While in the U.S. dial  
1-800-882-2884 ext. 34 for  
more information.

**AT&T**  
The right choice.  
Cut out & send for more references.

## ANNOUNCEMENTS

**ALCOHOLIC ANONYMOUS** English  
speaking meetings daily. Tel. 045  
43 34 95 or 045 678 028.  
MEETINGS 15 MINUTES. It's inter-  
national, it's fun and it's all in English.  
Make new friends!

## DUTY FREE SHOPS

**FREDDY**  
Newly renovated shop in heart of Paris.  
Café, bar, 15 day of your perfume  
gifts "Duty Free" or SAVINGS OF 40%  
FREE CIGARETTES FROM 0.05  
10 rue Aubert, Paris 9, Metro Opera.

**REAL ESTATE FOR SALE**

**MONACO**

**MONTE CARLO**  
BRAND NEW TOP CLASS BUILDING  
LUXURIOUS 4 ROOM APARTMENT.  
500 sq. ft. with 100 sq. ft. terrace.  
OVERLOOKING BEACHES AND SEA

**REAL ESTATE FOR SALE**

**PARIS & SUBURBS**

**15 KM ROISSY**  
AND NOTRE DAME DE PARIS  
**MAGNIFICENT PROPERTY**  
On 1 level, 280 sqm. living space, 3rd  
basement, 300 sqm, 3 levels, covered  
very good condition, 3 min. RER  
CME 48.26.50.17

**16th NEAR TROCADERO**  
BEAUTIFUL 4 ROOM APARTMENT  
230 sqm, 3rd fl., maid's room.  
LUXURIOUS, 10 min. RER  
CLAUDE ACHARD - (1) 46.34.53.46

**REAL ESTATE FOR SALE**

**PARIS & SUBURBS**

**15 KM ROISSY**  
AND NOTRE DAME DE PARIS  
**MAGNIFICENT PROPERTY**  
On 1 level, 280 sqm. living space, 3rd  
basement, 300 sqm, 3 levels, covered  
very good condition, 3 min. RER  
CME 48.26.50.17

**16th NEAR TROCADERO**  
BEAUTIFUL 4 ROOM APARTMENT  
230 sqm, 3rd fl., maid's room.  
LUXURIOUS, 10 min. RER  
CLAUDE ACHARD - (1) 46.34.53.46

**REAL ESTATE FOR SALE**

**PARIS & SUBURBS**

**15 KM ROISSY**  
AND NOTRE DAME DE PARIS  
**MAGNIFICENT PROPERTY**  
On 1 level, 280 sqm. living space, 3rd  
basement, 300 sqm, 3 levels, covered  
very good condition, 3 min. RER  
CME 48.26.50.17

**16th NEAR TROCADERO**  
BEAUTIFUL 4 ROOM APARTMENT  
230 sqm, 3rd fl., maid's room.  
LUXURIOUS, 10 min. RER  
CLAUDE ACHARD - (1) 46.34.53.46

**REAL ESTATE FOR SALE**

**PARIS & SUBURBS**

**15 KM ROISSY**  
AND NOTRE DAME DE PARIS  
**MAGNIFICENT PROPERTY**  
On 1 level, 280 sqm. living space, 3rd  
basement, 300 sqm, 3 levels, covered  
very good condition, 3 min. RER  
CME 48.26.50.17

**16th NEAR TROCADERO**  
BEAUTIFUL 4 ROOM APARTMENT  
230 sqm, 3rd fl., maid's